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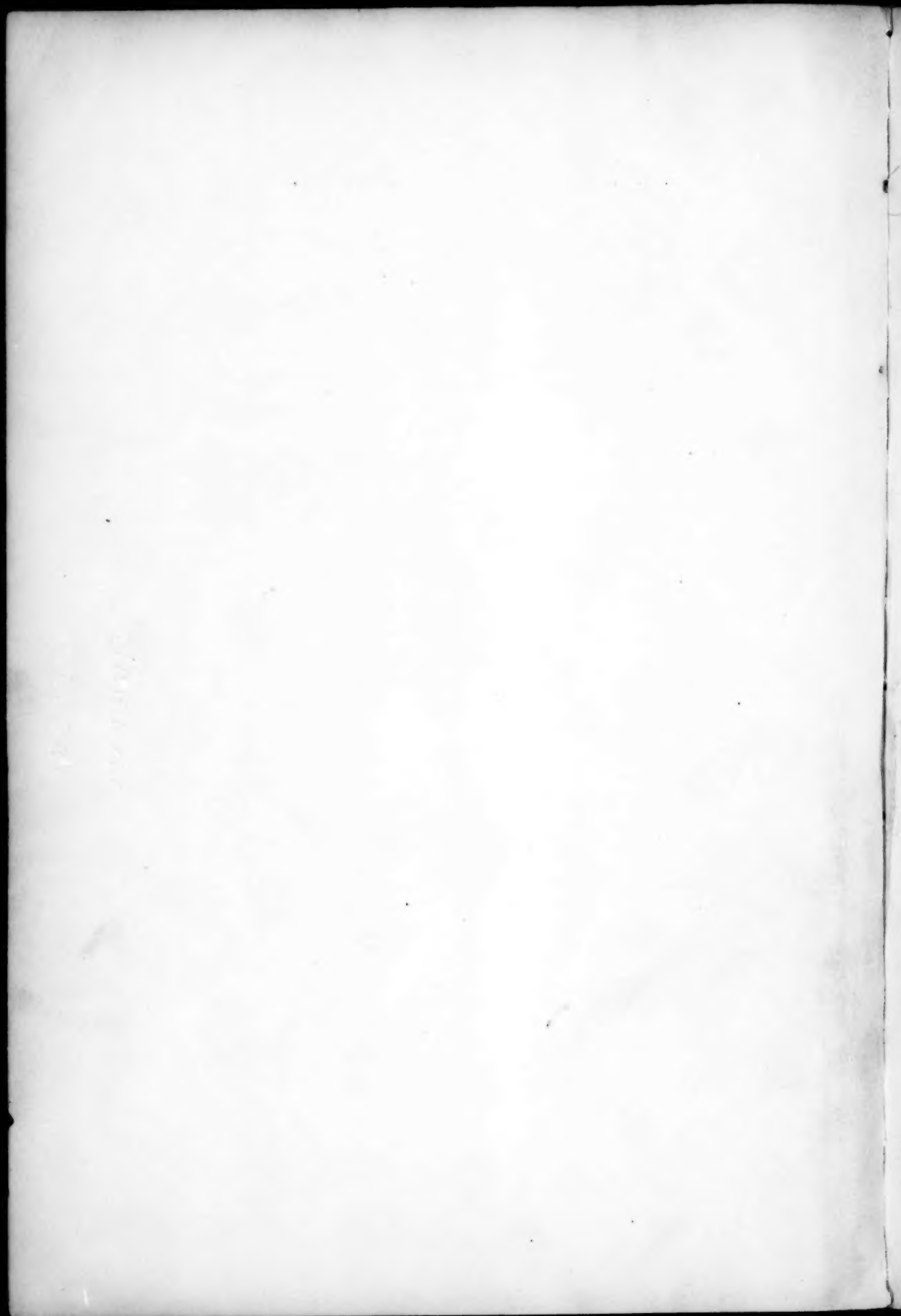
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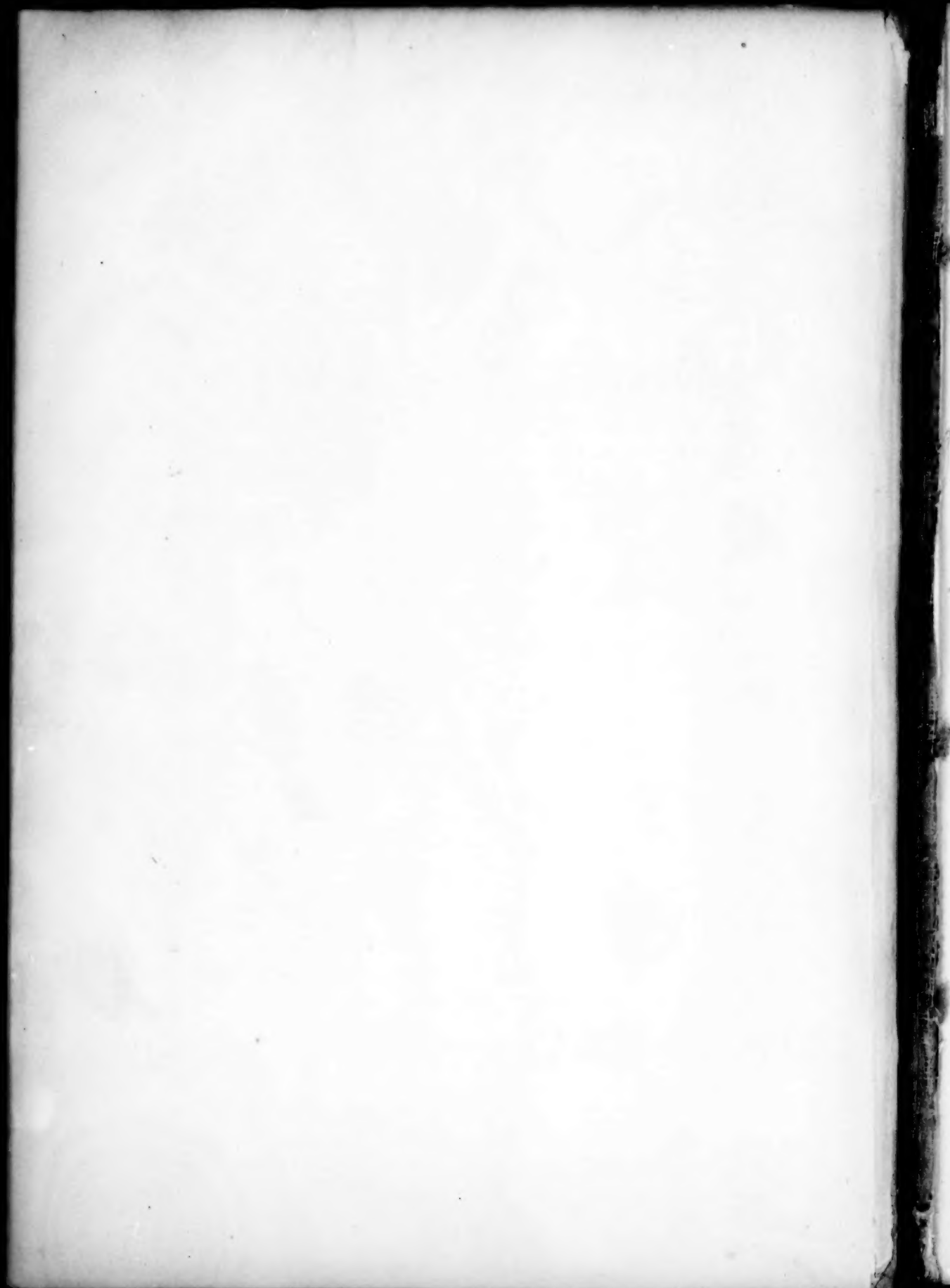
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## SOME FEATURES OF THE LABOR SYSTEM AND MANAGEMENT AT THE BALDWIN LOCOMOTIVE WORKS

The secret of the success of the American manufacturer, that which enables him to turn out a uniformly good article in a short time and at a low cost, lies in the energy of his production. The chief element in this production is the personnel, the character and method of treatment of the labor employed. The American manufacturer has realized the fact that to get the best result and the largest output from his plant the interest of his laborer and himself must be in harmony. This is not a sentimental theory but sound business policy. It is to the advantage of the employer to pay high wages for good work quickly and accurately done, rather than to pay low wages for slow and slovenly work. The laborer does better when he realizes that his work is appreciated and that increased effort and diligence meet with substantial recognition and reward. The workman is encouraged to exercise his brain and is given extra pay or promoted for having done something or discovered something to the advantage of his employer.

Philadelphia's prominence as a manufacturing city affords a labor market unsurpassed in quality and quantity anywhere in the United States. The large permanent population of skilled mechanics employed in the iron and steel industries of Philadelphia gives an abundant force from which to draw. These men are mostly Americans and of a high grade of intelligence.

Some features which may be of interest in the method of management of labor at the Baldwin Locomotive Works will be treated in this paper.

When locomotives first came into use they were comparatively simple in design and construction. They were built to haul a light load on a level track or on easy grades. As the number of railroads increased and the conditions of service became more severe and diversified, the types of locomotives began to multiply and the process of manufacture became more and more complex. A system of classifying the locomotives constructed was, therefore, adopted. It has been in operation for about fifty years and forms the basis of



the shop practice. The system originally involved the classification of the locomotive by the number of driving wheels and the weight of the engine. As the types multiplied still more, however, it was found that this method did not differentiate the classes sufficiently and it was subsequently modified. It is now based on the number and arrangement of the driving and truck wheels, and the size and number of the cylinders. Space will not permit a detailed description of method. The principle resembles that used in botanical scientific nomenclature, the locomotives are reduced to their genus and species by means of a combination of figures and letters which indicates the total number of wheels under the engine, the number of driving wheels, the diameter of the cylinders and whether they are single expansion or compound.

In a locomotive of new design every detail must be proved suitable in the drawing room before the work is sent to the shop. Every class of locomotives has different modifications within the class. These modifications may take the form of an increase in the diameter of the boiler, increase in length of piston stroke, and so on. Every such modification is given a drawing number. All the drawings are filed and a careful record kept of them. In this manner the work of the drawing-room is simplified and new drawings can be produced with the utmost facility.

By this method, also, the work in the shop is simplified. All locomotives of a class and drawing being uniform throughout in their fundamental features, a system of gauges and templates is in use by which such parts of locomotives and such fits of connections as may be desired are made absolutely interchangeable.

The capacity of the establishment is thirty-six locomotives a week. Orders are allotted spaces in the week in which delivery is promised. If a new design has to be made, the drawing must be completed and data submitted to the purchasing department for ordering material before the work is ordered in the shop. All parts of locomotives and tenders, except boiler and tank plates, steel tires and steel castings, chilled wheels, boiler tubes and special patented appliances are made from the raw materials. All parts ordered by the purchasing department are ordered for a definite locomotive or a number of locomotives of a particular class and must be invoiced as such.

The foremen of the different shops where the various com-

ponent parts of the locomotive are made are furnished a list, bearing the class designation of the locomotives for which the parts made in his shop are intended. When the drawings are furnished him he allots the work and sees to it that it is finished by the time specified on the list. Each part is marked with the class designation of the locomotive for which it is intended. Each workman reports to the time-keeper through his boss or through the foreman his time for each piece and the locomotive for which the piece was intended. All these component parts are assembled in the erecting shop at the appointed time and, by means of this unit system, the finished locomotive is put together without confusion or unnecessary delay.

A further advantage of this unit system of production appears in the accounting department. Two sets of books are kept—a financial and a manufacturing set. In the financial department accounts are kept of sales, purchases and expenditures. In the manufacturing books a separate account is opened with each locomotive and the material entering into its construction and the labor expended on it are charged against that locomotive. At the end of the year these two sets of books must balance each other. By this method the actual cost of each locomotive is obtained with accuracy and, allowing for fluctuations in price of raw materials, correct quotations can be made for any class of engine.

It is upon this unit system of locomotive classification, by means of which the identity of each locomotive is preserved, that the system of the labor organization and management of the establishment is based. Having mentioned the chief points in the method of manufacture let us glance at the personnel of the men.

About thirteen thousand men are on the pay-roll of the Baldwin Locomotive Works at the present time. The majority of these are Americans, although representatives of nearly every nationality on the face of the globe are found among them. The only requirements of an employee are a good record, a fair amount of intelligence and a willingness and ability to do the work. About 10 per cent of the total number employed are boys under the age of twenty-one years. A large proportion of these are apprentices being taught a trade. Strict conformity is observed with regard to the state factory regulation prohibiting the employment of boys under sixteen years old. Boys under sixteen are taken on only in extreme cases of pov-

erty or distress and then only if they hold a magistrate's certificate, as required.

A great variety of skilled labor is employed, some of the different kinds are iron-founders, brass-founders, blacksmiths, machinists of all kinds, wood-workers, tanners, carpenters, painters, copper-workers, plasterers and sheet-iron-workers. A skilled laborer is here understood to mean one who is familiar with the use of a tool, a machine or a process; an unskilled workman is one who cannot run a tool but does ordinary laboring work. The number of skilled and unskilled workmen is divided in the ratio of about two-thirds skilled to one-third unskilled.

Wages are reckoned by the hour and not by the day. Unskilled laborers have a per-hour rating. Piece-work wages, for convenience in accounting, are equated to a per hour rate. A piece-worker can earn the equivalent of from 18 to 50 cents an hour according to the character of the work and the ability of the man. The average wage of skilled labor is 30 cents per hour. The average wage of unskilled labor is about 16 cents per hour. The men are paid on Friday for their time in the preceding week. Each man has a number which is assigned to him on entering the employ of the Baldwin Locomotive Works. Each shop has a given block of numbers for its quota of men. When the whistle blows to stop work at six o'clock on Friday the men in the different shops file by certain booths, each giving his number and receiving his pay envelope which contains in coin the amount due him and on which is written the name, number and amount. Payment is made in coin to insure accuracy and a saving of time in making up the amounts.

The shops are run continuously twenty-three hours a day and the force is divided into day and night shifts. The day shift is on at seven and off at six with an hour from twelve to one for lunch; the night shift goes on at six and off at seven in the morning, having twenty minutes for lunch at midnight, which is not deducted from their time. A monitor whistle blows at three minutes before the hour at seven and one; at the hour each workman is required to be at his place and commence work when the signal is given. When late, a workman must secure a "late pass" at the office, which must be presented to the watchman at the gate before he is allowed to report for work. A time-worker is fined for being unpunctual, an hour's time for the first hour or fraction thereof he is late. Except in rare cases

men are not allowed to report after 8 a. m. Piece-workers are fined one hour's rate no matter how late they are. Workmen quitting or preparing to quit before the stop signal is given are fined one hour's time. As time is money when so many men are employed the rules regulating attendance are strictly enforced. The moral effect of the "late pass" on the foreman's desk is quite an aid to punctuality.

Each workman must know before commencing a piece of work, that it will finish to the sizes marked on the sketch or card given him and whether the work is to be completed by himself or others. A rigid system of inspection is enforced in the shops to insure the work being done properly and accurately. Damage for spoiled work is charged to the workman, unless occurring from a reasonable cause, and must be reported at once to the foreman. A workman accepting a piece of work from another to finish is held responsible for any errors in the work of his predecessor. Work must be kept neatly filed and properly marked with the class designation and number of the locomotive for which the piece is destined, and each succeeding workman must see that the mark is continued on work finished by him. All work, as soon as completed at one machine, must be delivered to the next succeeding machine. Economy in the use of material of all kinds, oil, waste, emery, files, etc., is strictly enjoined on every workman.

Each employee is responsible for the tools placed in his charge on commencing work, and upon leaving the employ of the establishment he must deliver the key of his box or drawer to the foreman and satisfy him that the stock of tools is complete and in proper order. Each workman is required to keep his bench, vise, lathe, forge, machine, or whatever tool or place at which he is employed, cleaned and free from rubbish. Careless damage to a tool is charged to the workman.

A workman whose machine breaks down through no fault of his own, or while waiting for work, receives a per hour rate proportionate to his piece-rate, at the discretion of the foreman. A workman running two or more machines on piece-work, however, is not paid an hour rate for time lost by one machine on account of a break down, or while waiting for work.

Workmen are required to report to the timekeepers as follows: Number of hours per day; name of machine; designation of engine

or job for which the part is made; when commenced and when finished. Piece-workmen are required to return and charge all their completed work in the week in which it is finished. They do not receive pay for their work unless they comply with this regulation. Piece-workers personally see that timekeepers get their correct time daily, they also must enter on their slates, each evening before leaving the works, their time for the day.

Having glanced at the personnel of the workmen we will discuss some phases of the system which present themselves. The unit system of production makes it desirable that all work should be turned out by the piece. In the Baldwin Locomotive Works two forms of piece work are represented, viz: Piece-work proper, where the workman is paid according to the quantity produced; and a contract system, where sub-foremen, called contractors, are entrusted with the execution of a portion of the work on a locomotive; for example, the entire construction of the cylinders, or the erection of a certain number of tanks. The contractor has entire charge of the job, seeing that the raw material is delivered in time, that the men are prompt and diligent, that tools are in repair and machines do not break down. The contractor is paid for the job, the firm paying directly to each workman for the labor on the job. The contractor cannot, therefore, get more than the amount due him on any one job by curtailing the wages of his labor. The contractor is a piece-worker on a larger scale. As he is paid by the job, he has an incentive to turn out his work as quickly as possible and to get as much work as possible out of the men under him.

The following occurrence illustrates the value of the contract system in expediting work. Tanks are built exclusively in one of the shops comprised in the Works. The frames and bodies are built on the second and third floors and are taken in an elevator to the fourth floor, where they are erected over the trucks. The elevator broke down one day and the job was held up. The contractor was losing money as he could not turn out his tanks. The elevator was running inside of two days; in the ordinary course of events two weeks would probably have been taken to put it in working order.

The contract and piece-work systems insure quantity of product; a rigid system of inspection insures quality of product. In order to insure good workmanship an extremely rigid system of inspection is maintained and contractors and piece-workers are held



to strict account if the quality of their work falls below the standard. Another feature of the piece-work system, which is at the same time an advantage and a disadvantage, is the specialization which it naturally entails. In the kind of machine work done at the Baldwin Locomotive Works, the same operation is performed over and over again many times. The piece-worker, doing the same thing repeatedly, soon finds out the best and quickest way to do the work and, as he can make more money doing his specialty, he is naturally unwilling to be shifted to another machine or another class of work. The tendency of this specialization is to limit the workman to a single process, and, as a result, the general mechanic has threatened to become practically extinct, to the detriment of manufacturing interests generally.

To remedy this disadvantage an apprenticeship system was inaugurated at the Baldwin Locomotive Works in March, 1901. The apprentices taken on are divided into three classes, as follows:

First class apprentices comprise boys who have had a good common school education and are not over seventeen years and three months of age. They are indentured for four years. An apprentice of this class is required to attend at least two evenings in each week during the first three years of his apprenticeship, free night schools, such as during the first year will teach him elementary algebra and Geometry, and during the remaining two years shall teach him the rudiments of mechanical drawing.

Applications for indenture as second class apprentices are considered from boys who have had an advanced grammar or high school training, and are not over eighteen years of age. The term for this class is three years. The apprentice is required to attend night schools, which shall teach him the rudiments of mechanical drawing, for the first two years of his indenture.

The third class indenture is in the form of an agreement made with persons twenty-one years of age or over, who are graduates of colleges, technical schools, or scientific institutions, having taken courses covering the higher mathematics and the natural sciences, and who desire to secure instruction in practical shop work.

The indentures or agreement in each case place upon the firm the obligation to teach the apprentice his art thoroughly and to furnish him abundant opportunity to acquire a practical knowledge of mechanical business. The firm is also bound to retain the apprentice

in service until he has completed the term provided for in the indenture or agreement, provided his services and conduct are satisfactory. In all cases the firm reserves the right to dismiss the apprentice for cause.

The rates of pay in the different classes are as follows:

	1st year per hour.	2d year per hour.	3d year per hour.	4th year per hour.
Apprentices of the First Class .....	5c.	7c.	9c.	11c.
Apprentices of the Second Class .....	7c.	9c.	11c.	
Apprentices of the Third Class .....	1st 6 mos. of 1st year, 13c. per hr. 2d 6 mos. of 1st year, 16c. per hr. 1st 6 mos. of 2d year, 18c. per hr. 2d 6 mos. of 2d year, 20c. per hr.			

In addition to the rates mentioned above, apprentices of the first class each receive an additional sum of \$125.00, and apprentices of the second class an additional sum of \$100.00, at the expiration of their full terms of apprenticeship respectively.

The apprentices are under the direct supervision of a superintendent, and a careful record is kept of the performance of each. The apprentices are put to work in the shop on the different machines, millers, slotters, planers, lathes, boring machines, etc. They are shifted to a different machine every three months and an account of their work entered in the superintendent's book. Apprentices of the third class are shifted as often as they wish from one machine to another. On the completion of his indenture, if he wishes it, and his record has been satisfactory, the apprentice can secure a good position at the works, at the start generally as track boss, inspector, or in some such capacity. There are about three hundred apprentices on the books at the present time, about two hundred of them are in the first, about sixty in the second and about forty in the third class. The object is to turn out good, all-around machinists and good results are hoped for from the system.

The policy of the firm is to make the interest of the men identical with its own. Hard work is required but high wages are paid, ingenuity is encouraged, and intelligent and faithful work is liberally rewarded. Piece-rates are seldom cut, and then only on account of the introduction of a time-saving tool in which case the workman shares in the gain accruing. The policy is to maintain a uniform piece-rate for all the men doing a certain class of work. If one man



shows especially marked ability, he may be shifted to another job; usually being made a contractor or sub-foreman. The policy of the establishment is to make promotions from within, foremen, bosses or superintendents are not imported. There are no hereditary rights to important positions.

Strikes are practically unknown. If a man has any grievance he can submit it to the superintendent and he knows that his complaint will receive careful consideration and that he will be dealt with fairly. No one is questioned, when he enters the employ, whether he is affiliated with a trades union or not, but trades-unionism does not flourish at the works.

A pleasing and noteworthy feature of the attitude of the men is the *esprit de corps* which prevails. They realize that their employers are doing their best for them and only ask in return the best work of each man. Every man is proud of the establishment he works for, the oldest of its kind in the country, and every man is proud to be known as a Baldwin man.

JOHN W. CONVERSE.

*Philadelphia.*

## THE PREMIUM SYSTEM OF WAGE PAYMENT

If an observer should notice a gang of ten men in any large establishment standing idle all the day long he would naturally be amazed at the apparent lack of discipline; yet it may be confidently asserted that there is no establishment employing a thousand men in which the actual loss of time every day, through idling and gossiping, does not exceed in the aggregate the entire time of ten men for ten hours each day. A loss of but six minutes a day in this way by one thousand men equals 6,000 minutes or 100 hours, or the equivalent of the full time of ten men for ten hours. Thorough supervision of each one in order to prevent this evil of loitering—which in factory phraseology is designated “soldiering”—is a physical impossibility. Unlike the slave of olden time, whose sole aim was to accomplish as little as possible, even under the stimulus of the lash, the operative of to-day turns out the largest product when he is a willing worker, not needing constant overseeing. The true way, therefore, to influence the individual to accomplish the best results for his employer is to convince him that in so doing he is accomplishing the best results for himself. Few operatives succeed in obtaining regularly day by day the maximum output from any machine; some have not the requisite skill, others fail through lack of attention to small details, such as forethought and method in grouping or assembling the work, others through laziness or disinclination to turn out more than a certain amount of finished material in a day. An operative may also, perhaps, through lack of constant attention to the work, unconsciously limit the output of a costly machine and thus cause loss to his employer far exceeding the entire amount of his wages.

If no system of espionage can prevent this loss of time, how can it be minimized? Profit-sharing has been advocated as one method by which the employee could be induced to take a personal interest in the management of the business. The writer is skeptical about the permanent success of any system that has yet been devised of so-called profit-sharing in any kind of manufacturing business with which I am familiar. There are so many conditions affecting profit and loss in manufacture of raw material into finished products with

which the operative has no connection that it would be manifestly unfair to charge him with a share of such loss, and, on the other hand, profits may be due to outside causes to which the operative contributes nothing. He would, therefore, not be entitled to share in such profits. But apart from ethical considerations, it would be manifestly impossible to open the books of a manufacturing concern for the inspection of all of the operatives, and they would not understand the methods of accounting, even if it were practicable to do so. For these, and other reasons, profit-sharing is, in my judgment, doomed to failure. Other schemes for giving the operatives an interest in the management come under the general head of business and philanthropy. This is a delicate subject and needs to be handled carefully. As a general proposition the two do not, as a rule, work together successfully. Some of the reasons therefor are not hard to find. The American workman is self-respecting, independent, and generally well to do; he resents any approach to paternalism on the part of an employer. He does not desire, and will not accept, anything savoring of charity; he is suspicious of philanthropic schemes devised for his apparent welfare, especially if they curtail in any way his cherished liberty and freedom of conduct.

One of the most interesting and for a time promising schemes for the mutual benefit of the employer and the workmen was that of Mr. Alfred Dolge, of Dolgeville, N. Y. Here was a town created by one man; everybody was employed in one industry, and there were no clashing interests. The proprietor of the great establishment of Dolgeville graduated from the ranks of labor, and, having commenced as a poor workman, he was familiar with the hardships of the laboring class. As soon as he became an employer of labor he began to formulate his long-cherished co-operative schemes; but, unfortunately, his ideas were doomed to failure in the end, although apparently based on sound principles. This lamentable failure—whatever the cause may have been—has given a sad blow to all such semi-philanthropic undertakings. In Europe many similar plans have been tried, and failures have generally resulted. In Germany a large glass works was started a few years ago by wealthy philanthropists. The entire plant was a gift to the workmen, and the necessary capital was furnished. Each employee was given an interest in the concern, and work was commenced under extraordinarily favorable circumstances. Before long

internal dissensions arose; each man considered himself a "boss," and within a year the working capital was sunk, the workmen scattered and the plant sold at a sacrifice. It rarely happens that business and philanthropy can unite to form a working partnership.

In my judgment, the best way to solve the problem is to make every man the treasurer of his own time, and the only practical way to do this is to pay the largest premium in addition to the standard wage rate for the largest individual output. The piece-work system was devised with this in mind, but in its original form it is open to one serious objection, which always will exist, and that is that the workman fears that if he does more than a certain amount in a day, sooner or later the piece-work price will be cut and the result will be that he will have to work harder than before to acquire the same amount of money. This system is gradually being improved upon and "the premium piece-work system" is the chief improvement. It has added an entirely new feature in the relation of employer and employee, and in several concerns, it has increased the rate of wages while at the same time it has decreased the cost of the product.

While there are different methods in vogue, adapted to different circumstances, the premium system consists essentially of the addition of a premium to the base price agreed upon for any job, the amount of the premium depending upon the reduction of time in performing the work. The method of remuneration differs radically from the ordinary piece-work system of payment, for it makes each workman's interest the same as that of his employer; it pays a premium for high efficiency, and soon convinces each man that it is for his permanent advantage to turn out each day the best quality and maximum quantity of work. Briefly stated then, the premium system consists in paying *a higher rate per piece for a greater amount of work done without imperfection in a given time*. Several years ago Mr. Fred W. Taylor devised and put into practical operation at the Midvale Steel Works a premium piece-work plan which he called the "differential system." This may, perhaps, be regarded as the pioneer of all the premium systems in use to-day, and it proved immediately successful. The following illustration, representing actual results obtained in daily work, will show the economy of high wages under Mr. Taylor's differential system as applied to turning certain steel forgings, of which many thousands were made.

*Cost of Production Per Lathe Per Day.*

ORDINARY PIECE-WORK SYSTEM.		DIFFERENTIAL RATE SYSTEM.	
Man's wages .....	\$2 50	Man's wages .....	\$3 50
Machine cost .....	3 37	Machine cost .....	3 37
<hr/>		<hr/>	
Total cost per day .....	\$5 87	Total cost per day .....	\$6 87
Five pieces produced; cost per piece .....	1 17	Ten pieces produced; cost per piece .....	69

To further explain the difference between the simple piece-work system and the premium system reference may be made to a case where new work was introduced into an establishment undertaking an entirely new kind of manufacture. The concern had never done the work before, so did not know at all what it was going to cost. Parts of the machines were given out to the different departments to be made by day's work, because nobody knew what the cost was liable to be. The people selected to work by the day were the men who were considered the quickest and best workmen in the establishment, who would be likely to make those parts under the system of day's work as cheaply as they could be made, so that the actual cost of making them in this way might be made the basis for a piece-work price. Quite a large number of the parts were made by day's work. I saw some of the work being done myself, and did not observe anything that led me to believe that there was any loafing on the part of the men. A piece price was finally fixed based upon the average cost by day's work. After the men got more skilled in their jobs they did a little better, but the average was taken for the piece-work price. It so happened that some precisely similar things were made in another establishment, and through an accident it was ascertained that an article which cost about twenty-four dollars to make under this system of piece-work cost about thirteen dollars to make in the other establishment where a premium system was in vogue. An investigation showed that the actual amount of labor required to make the pieces was the same in each foundry, but in one the simple piece-work system of pay obtained; in the other a premium system. Then an entire change of personnel in the department, including the foreman, was made; new men were engaged to do the work on a premium system and the result was surprising. In a very short time the new men were



making nearly double the wages of the former operatives and the cost per piece was reduced nearly one-half.

This system, of course, does not spare the tools, which are run at a high rate, and, since its introduction, the views of progressive manufacturers regarding the economical use of machine tools have materially changed. Formerly old tools were venerated and carefully preserved as long as they could be used. Now the aim is to obtain the full life-service in the shortest possible time, and then to consign the tool to the scrap heap. In this way tools are worn out long before they have become obsolete in design. "Soldiering" on the part of the operatives is effectually eliminated, wages are raised, the output increased and cost of production is decreased in an amazing ratio. All this is accomplished without exhausting toil on the part of the operative, for the machine has relieved him of most of the hard work, especially is this noticeable in handling heavy materials. In former days rupture was very common indeed among moulders in foundries, caused by frequent severe straining in lifting flasks and moulds; now it is a rare thing to find rupture among the younger moulders, owing to the fact that in all modern foundries traveling cranes and other hoisting appliances are provided for lifting heavy materials and carrying them from one place to another.

Within my own experience there has been a great improvement in this respect. I can recollect at least six moulders in one foundry who were badly ruptured from lifting their moulds, while to-day I never hear of this trouble for the main cause has been removed. The mechanic of to-day, who is engaged in riveting a boiler or a bridge structure, no longer spends ten hours a day in striking blows with monotonous regularity upon the rivet heads, but he is employed to control the steam or hydraulic riveting machine, a sort of giant hand, which presses the red-hot rivet into place with a simple silent squeeze of its powerful finger far more effectually than can be done by two strong men striking one hundred blows each with a riveter's hammer. This has been proved by official tests.

Certain conditions are necessary for success of any system. There are laws regarding the relation between employers and employees which are immutable, and the most fundamental of these laws is that mutual confidence and respect are necessary precedents to the inauguration of any marked change in the methods of manage-

ment or the conditions of payment. Such confidence is especially important when changes are made from time wages to some form of piece wages intended to increase the output by increasing the inducement to labor. Workmen are invariably suspicious of such changes. They fear that the piece rate will be cut as soon as the capacity of the worker has been shown. Without the fullest confidence in the good intentions of the employer, therefore, so radical a reform as the one suggested can with great difficulty be introduced. Employers can acquire and retain this confidence by courtesy, by fair dealing, by providing healthful and pleasant surroundings for their employees and by protecting them and their families against the consequences of sickness or accident.

A personal incident that happened in my own case and among workmen with whom I was brought into contact illustrates the advantage which comes from cultivating the good-will of employees. About fourteen years ago I began a series of metallurgical investigations in the establishment with which I am still connected that resulted in a considerable change, an absolute change in fact, in the character of the metal operated upon by some of the machinists. These men were, at that time, inclined to be suspicious of any change, and there was a theory ever since the days of the machining of iron that it was impracticable to do what we were attempting; it met with great incredulity, and when several very large castings thus treated were sent to the machine shop to be planed and drilled to make finished machines, opposition began immediately to come from the mechanics, who were not interested in anything that might go on in the foundry department. It was necessary for me, therefore, to walk around through the machine shops every day to examine these castings so as to find out whether the new treatment had interfered in any way with the work of the machinists; and, as I have naturally a genial feeling for my fellow-man, I would always say "good morning" to the mechanics tending the machines. I found that this salutation was a surprise to these men, for they were not accustomed to it; some of them had been there for forty years or more and had rarely heard "good morning" said to them by any one in authority. It was not the custom, but I was not aware of that. One man replied to me: "What did you say?" and I said again, "good morning." Well! in the course of time these workmen began to realize that the new metallurgical method was not interfering in any



way with their wages; that it did not take any longer to finish up the work and that was what they were interested in, as they were paid by the piece. So, after a while, I began to notice a change in the faces of these operatives when I said "good morning," and a good many said "good morning" to me; but one man had told me in the beginning that I was going to take the bread out of the mouths of his wife and children, and having once said that, he was not a man to take back his word as long as he could help it. Time went by, and never did I get any answer from this man to my morning salutation although all the others had forgotten their original objections and had become most friendly, until one day when I came along he muttered some oaths, and then, to my surprise, I noticed a smile stealing over his countenance and he said: "It isn't any use trying to make you mad, here's my hand." That was very amusing to me, but it was a conquest after years of patient waiting, and to this day we are good friends. This shows that "little things" count, and that social amenities in business life are not to be despised.

Another important consideration making for the successful establishment of such innovations as the premium system is a care for the well being of the employees. In my discussion of business and philanthropy I do not wish to be misunderstood, or to seem to under-rate the advantages which may accrue to employees, as well as to employers, of philanthropic plans devised for the aid of sick, injured or infirm operatives. In one of the largest and most successful manufacturing establishments in the world an admirable system is in vogue, whereby unfortunate men are helped in time of need, but so judiciously and secretly is this done that the world knows nothing about it, and if I should name the establishment it would violate confidences that I have received, not from the managers of the works, but from men who have been thus aided in a way which has not awakened any other feeling than that of gratitude. You cannot find any allusion to these matters in the rules posted up in the works, and, in fact, I believe there are no rules on that subject. There is no contract in existence; there is no guarantee that if a man is injured, or if he is sick, or in trouble, that the helping hand will be extended to him, yet I doubt not that every one of the thousands of men employed in those shops goes to his daily work with a contented feeling, that should an accident befall him while on duty, his family would be cared for while he might be incapacitated

for work. It thus appears evident from whatever point of view the question may be studied that the value of the "personal equation" in management of large industrial works is a most important factor in the successful conduct of affairs.

Moreover, my views are pronouncedly towards recognizing the responsibility which rests upon the employer to the fullest extent practicable, not, however, based upon philanthropic grounds, but because observation has taught me that one of the most profitable investments of money that can be made in a manufacturing plant is to give the largest possible advantages, in the way of conveniences and sanitary arrangements, etc., to the operatives. I remember years ago finding it a difficult matter to impress upon the superintendent of a foundry the importance of having the windows washed. They had not been washed for years, and on dark winter days the dimness in the foundry necessitated artificial light; indeed at all times the conditions were bad for the eyes of the moulders. I had a great deal of trouble to get those windows washed, and yet I am quite sure that the cost was repaid in a very few days in the saving of bad work. The introduction of steam heat into another foundry that I am familiar with was a source of expense that the managers were loath to incur, but that was also a profitable improvement; it avoided irritating and blinding smoke in the foundry on cold mornings caused by lighting woodshavings on the dirt floor; not only did it contribute to the comfort of the men, but the steam heat kept the sand warm, and the moulds did not crumble as formerly by reason of freezing of the moisture in the sand on cold nights. The introduction of shower baths, dressing rooms, water closets, and other similar comforts and conveniences, improves the character of the work and conserves the health of the workmen. I maintain that every operative who gets sick in the employ of a concern, causes more or less loss, even though he may receive no wages during the time he is incapacitated for work; another and presumably an inferior or less experienced man must be put in his place and the interests of the firm must therefore suffer. For this reason I believe that every kind of legitimate comfort and convenience that may be provided for the operatives is a source of profit to the employer although apart from the moral obligation to care for the health and comfort of the employee.

There is one impending menace to the continued success of the

premium system, that is the arbitrary and short-sighted policy of some of the labor unions, which are continually striving to curtail the activities of labor by limiting the work of the more competent members of the union to the capacity of the less competent or more indolent members. This is certainly detrimental to progress. The immediate result of such methods is to antagonize the employer, who does not object to labor unions when they confine their activities to legitimate fields of usefulness. It was just such dictatorial methods of the labor unions in Great Britain that precipitated the great and disastrous strikes of mechanics a few years ago. The loss in wages alone, though amounting to millions of dollars, was small as compared with the permanent loss sustained by the manufacturing industries in that country, caused directly by the preposterous acts of the labor unions. The ostensible ground on which this policy of the labor leaders is defended is that there is only so much work to be done and that if a machine is introduced in place of a man, or if machines are run at higher speed, the aggregate earnings of labor will be reduced. The absurdity of this opinion is by this time sufficiently apparent.

If it were not for the assistance of costly mechanical aids, so freely furnished to operatives, enabling them in many cases to quadruple the effect of their efforts, the American mechanic would be to-day making less wages, while having harder work; the output from the workshops would be smaller, and the general prosperity of the country would be less marked. If it were not for these mechanical aids the premium system would not have been developed and the true policy of the labor unions should be to foster this system in every way.

It may seem anomalous to say that the higher the class of labor in manufacturing establishments the cheaper the product, yet this has been proved time and again, and it has come to pass through the aid of machinery. The "skilled" workman of to-day in almost any trade is a man who can so deftly and judiciously operate a machine, or a number of machines (representing often an investment of many thousands of dollars), that the output is largely increased thereby, without necessarily increasing unduly his own physical or mental labor; the employer can well afford, therefore, to offer large pecuniary inducements in the shape of premiums to the most productive operators.

An impression has prevailed in the minds of many intelligent people, especially those not engaged in mechanical pursuits, that the substitution of so-called automatic machinery for hand labor is detrimental to the intellectual development of the wage-earner, tending to make him a mere automaton, like the machine which he tends; that the skilled handicraftsman of former generations is fast disappearing, and that his successor is becoming a mere marionette, to whom the gift of brains is almost a superfluity. Daily observation in large industrial works extending over a score of years, has led me to form a different conclusion. I believe it is now generally admitted that the educational influence, upon the mind of the operative, of daily contact with machinery is a potent one, enlarging his mental horizon, giving him more accurate perceptions of the true relation of parts and fitness of things, and elevating him intellectually above the place of the old time handicraftsman. The machine once regarded as the robber of the wage-earner is destined to become, indeed, has already become the missionary for his enlightenment; and when its advantages are fully appreciated in the labor world the conflicts which have marked the transition period will become a mere memory of a past era. Just as every new invention in scientific mechanism of warfare is a step towards the ultimate settlement of international disputes by arbitration, so the general diffusion of knowledge among the wage-earning class through the aid of machinery and its products, is a step towards the settlement by peaceful processes of the complex questions which will, without doubt, continue to arise in the future regarding the mutual relations of capital and labor.

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## THE EFFECT OF UNIONISM UPON THE MINE WORKER

In the anthracite industry of Pennsylvania 147,651 men and boys are employed directly in the mining of coal and in its preparation for market. Of these, 49,217 work outside the mines, or above ground, and 98,434 inside, or underground.<sup>1</sup> The former comprise 804 superintendents, bookkeepers and clerks, 379 foreman, 2,331 blacksmiths and carpenters, 4,615 engineers and firemen, 19,564 slate-pickers and 21,524 undesignated, the latter including slope and shaft headmen, shaft helpers, plane footmen and headmen, car-dumpers (breaker), slate-shovelers and wheelers, men in chutes above screens, men cutting and loading timber, oilers (machinery), loaders of big cars, ash-wheelers, blacksmiths' helpers, mule-drivers, watchmen, etc. The underground workers include 539 foremen, 830 fire-bosses, 3,148 door-boys and helpers, 10,894 drivers and runners, 26,268 laborers, 37,804 miners and 18,951 undesignated, the latter comprising tracklayers and helpers, shaft repairmen, timbermen and helpers, shaft footmen and helpers, slope headmen, plane or wheel runners, plane footmen, masons, road-cleaners, car-couplers, pumpmen, stablemen and helpers, pipemen, water-bailers, men unloading rock, etc.

All these employees form two general classes—the skilled and the unskilled. The former include the groups designated as blacksmiths, carpenters, engineers, firemen, miners, inside and outside foremen, fire-bosses and one or two of the undesignated groups. The unskilled groups are the slate-pickers, door-boys and helpers, drivers and runners, laborers and the great majority of the undesignated inside and outside employees. Among the individuals composing any particular group in either class there are varying degrees of skill—some are less unskilled or more skilled than others. The most unskilled in any particular group in time become the least unskilled in that group: the least unskilled in time pass into some skilled group. Thus there is a constant interchange of individuals from group to group and from class to class, the general tendency being a progression from the most unskilled to the most skilled. Miners are always passing out of that group to become fire-bosses, foremen,

<sup>1</sup> Report State Bureau of Mines, 1901.



superintendents or into other higher occupations, both inside and outside the industry; others are killed, many end their days in the county poor-house, while some are forced back into the breaker or into other unskilled groups. The once skilled miner who, through accident or disease or old age, becomes incapacitated for longer filling that position not infrequently returns to the unskilled class, usually as a breaker "boy." A no more heartrending scene can be depicted than the sight of this type of an old man—a class appearing old even when in middle life—seated alongside the breaker boys just entering their teens and picking slate for 75 to 90 cents a day. His pilgrimage through this world is from the cradle into the mines as a breaker boy and out of the mines into the grave as a breaker "boy." To fill the places in the mines vacated in these ways the least unskilled of the laborers become miners forming the least skilled of the latter group. While the laborers are properly classified as unskilled, there is a point where they almost insensibly merge into the skilled class. The laborer of two or more years' experience in the mine is always on the verge of passing into the ranks of the skilled miner. The laborer entering the mine for the first time is usually the most unskilled of all in that unskilled group, while the laborer ready to become a miner is the least unskilled in that group and becomes the least skilled among the miners when he passes over the dividing line. It is the least unskilled laborer who usually competes with the least skilled miner for a place in the latter group.

While there is a difference of skill in the labor of the individuals composing any particular group capital, as a rule, does not enter into a detailed and minute measurement of this skill. Capital classifies it roughly in the distinction made between groups. It recognizes the broad difference between skilled and unskilled labor in paying higher prices to the former. It also separates the different kinds of skilled labor—it pays blacksmith labor one price, engineer labor another and miner labor still another. The same is true of the unskilled labor—it pays door-boy labor one price, driver labor another and the labor of the laborer still another. As a rule at any one colliery the individuals in the same group receive the same wage;<sup>2</sup>

<sup>2</sup> This is not true of all miners, although it is true of any particular sub-group in that occupation. Some are company miners and some are contract miners. Among the latter some may be working by the yard, others by the ton and some by the car plan. For any particular sub-group, however, the basis for determining the wage is the same. The difference in the wages actually received by individual miners even in any sub-group is due to the effect varying natural conditions have upon their expenditure of energy.

individuals in different groups receive different wages. The group receiving the highest wage, which is open to the largest number of men, is that of the miner. This has the effect of drawing workers from nearly all the unskilled groups toward that position.<sup>3</sup> Before they can become miners, however, the laws of Pennsylvania require that they shall possess a certificate of competency from the Miners' Examining Board, and to secure this certificate the individual must have had not less than two years' experience as a miner or as a laborer in the mines. This has the effect of emphasizing temporarily the importance of the laborers' position.

There are two general streams of unskilled labor flowing into the mines to become laborers. They come from distinct and widely varying sources. One stream originates in the mining communities—it is composed mostly of children of workers already engaged in the various occupations about the mines. This stream enters the industry through the breaker where boys are employed in picking slate. As a rule slate-pickers become door-boys or helpers; door-boys pass into the ranks of drivers or runners and drivers become laborers. By the time these individuals reach the laborers' position they have a certain preparation back of them which in many trades or callings would add to the value of their labor. They all have practically the same industrial and social environment which sets a standard of living varying but little among them. To meet this standard a certain wage is necessary. Above them are other groups in the community receiving higher wages, which enables a still higher standard to be maintained. Through imitating this higher standard forces are set in motion which if not counteracted would cause an increase in wages. This increase is secured in cases by individuals passing from one occupation to another in the industry.

The other stream of unskilled workers flowing into the mines to become laborers has its source in European countries thousands of miles from the anthracite region.<sup>4</sup> It is composed of different nationalities coming from different industrial environments. These have been such as to enable this type of a foreigner to maintain his labor on a standard of living very little above the cost of supplying

<sup>3</sup>Some of the unskilled workers become blacksmiths, carpenters, firemen, engineers, etc.

<sup>4</sup>This foreigner—generally speaking he is the Slav, including the Bohemian, Slovak, Pole, Lithuanian, etc.—began to enter the anthracite fields about 1875, shortly after the railroads became mine owners. At that time the native American and the English, German, Irish and Welsh immigrant formed the mining population.



his mere animal demands for food, clothing and shelter. His one pressing demand is to meet these wants. He can do so only by selling his labor. Placed in the anthracite region by the force of circumstances,<sup>5</sup> without either the time or the means or the knowledge even if he had the mental quality to look elsewhere for work—to take his labor to other markets—he is made a worker in and about the mines. Under such conditions any wage that will keep body and soul together is to him better than no wage. Without preliminary training in other mining occupations about the colliery he at once enters the mine as a laborer. Some of the foreigners, such as the Italian, do not as a rule enter the mines, and in such cases their competition is confined almost exclusively to the occupations above ground.

The object of capital invested in the anthracite industry is to secure the labor it is in need of at the lowest possible price. It cares nothing as to where it comes from or who possesses it. The labor which will do the work capital wants done for the lowest price, other things being equal, is the labor capital buys. The particular work capital has for labor to do in the laborers' position demands very little more than physical strength—the task requires quantity rather than quality of labor. The foreigner has this as much as the laborer reared in the anthracite communities, and generally he is induced to use that energy in a way that results more to the advantage of capital. He is willing to work in more dangerous places and in poorer seams and to put up with inconveniences benefiting capital of which the native-born laborer complains. The foreigner offers his labor for a wage that will maintain that labor—at a price but little above what is necessary to supply his mere physical

<sup>5</sup> In an article on "The Real Cause of the Miners' Strike," published in *The Outlook* of August 30, 1902, I stated that "when the railroad mine-owning companies, about 1875, began the introduction of the cheap labor from southern and eastern Europe into the hard coal fields of Pennsylvania, they set in motion economic forces whose workings to-day are manifested in the strike of 147,000 anthracite mine workers." To this, as well as to other statements in that article, Mr. Henry S. Fleming, Secretary of the Anthracite Coal Operators' Association, took exceptions in a communication published in the *New York Sun* of September 10, 1902, stating that "the assertion that the mining companies imported Slav labor is false in every particular." Mr. Fleming's denial is not convincing, or rather it but confirms my belief that the facts are as I stated them in *The Outlook*. In this I am supported by other unbiased investigators who have given some attention to the situation, such as Dr. Peter Roberts, in "The Anthracite Coal Industry," page 104, and Dr. G. O. Virtue, in "The Anthracite Mine Laborers," Bulletin of the Department of Labor, No. 13, November, 1897. Mr. Fleming's criticism has furnished me with no reasons for altering any of my statements in *The Outlook* article.

demands for food, clothing and shelter. The native-born laborer demands a wage that will permit him to support a certain standard of living. There is a considerable difference between the two wages. One is a low wage; the other a high wage. Here is much the same kind of a commodity in practically the same market.<sup>6</sup> This market is usually oversupplied with this commodity. Under such conditions it cannot sell at two different prices—capital will buy the labor which bears the lowest price. This forces the possessors of the commodity asking the higher price either to withdraw it from the market—to leave the industry—or to lower its price. The price of labor—the wage of the laborer—always tends in the same market toward that set by the particular part having the lowest cost of production or the lowest standard of living. The effect is the same whether the miner or the operator employs the laborer. This is shown in the working of the “contract” system in vogue at some of the collieries prior to the strike of 1900. Under this plan a certain section of a seam of coal, comprising a number of breasts, or working-places, was let out under contract to a skilled miner by the foreman; that is, the miner agreed to take out a certain part of a seam for a stated sum of money. He would then employ miners and laborers to do the work, bidding them against each other for the places. The lower the wage for which these men worked the greater the earnings of the contract miner. This “contract” system aided capital materially in reducing wages throughout the region, appealing as it did to the self-interest of the most skilled miners. This system is being gradually abolished through the efforts of the United Mine Workers of America. One of the demands in the strike of 1900 was that “no miner shall have at any time more than one breast, gangway or working-place.”

This competition of the foreigner affects the native-born workers in all the unskilled groups. It checks the flow of the stream of native born labor on its way to the laborer's position. Some drivers who are about to become laborers are prevented from doing so. The avenue of advancement out of that group being partly closed, competition within the group is intensified not only among those already drivers but between them and the door-boys, who are on the way to become drivers. The same is true of the door-boy group—those pre-

<sup>6</sup> For the sake of brevity and to eliminate any possibility of confusion, I refrain from going into details as to the different kinds of markets in the industry.

vented from passing out of that group are forced to check the advance into the mines of the breaker boys. If the stream flowing into the breaker is not materially diminished, an oversupply of labor in all these unskilled groups is the result. This of itself would prevent an increase in wages. At the same time in nearly every one of these groups are some foreigners, or others forced out of a higher group by the foreigner, whose competition for places tends to keep wages nearest the lowest point just as we have seen is the case among the laborers. The larger the stream pouring in from Europe—the greater the number of foreigners compelled to sell their labor—the more intense is this competition.

After two years or more as a laborer the foreigner begins to compete with the miner for the latter's position. He still retains to a greater or less degree his low cost of maintaining his labor, the influences at work upon him in his new environment not having been sufficiently powerful to raise him so soon to a much higher standard of living. As a miner the foreigner competes with a worker who has a higher standard still than has the native-born laborer. The tendency of this competition is to pull down a standard which has acted as a powerful magnet to draw thousands of unskilled workers to higher standards in the industrial life of the community. The effect is not evident so much in the rates paid the miner<sup>7</sup> as it is in nearly all those elements which enter into determining the miners' net wages.

The tendency in recent years has been for these net wages to decrease. This has been brought about through an increase in the number as well as the cost of the tools the miner must use in his work, in a decrease in the quantity of coal resulting from the use of the same amount of powder,<sup>8</sup> in the withdrawal of certain allowances for what was formerly regarded as extra work accompanying his calling, in an increase in the necessity for as well as the expense of insurance to meet the increased risk of his calling following the employment in the mines of non-English speaking workers, in an increase in the amount of coal he must mine at old rates<sup>9</sup> and in various other ways. These changes in the conditions

<sup>7</sup> There has been no change in the rates since 1880 (excluding those accompanying the operation of the sliding scale in the Lehigh and Schuylkill fields) with the exception of the 10 per cent increase secured by the mine workers' union at the close of the strike in 1900.

<sup>8</sup> The price of powder was reduced from \$2.75 to \$1.50 a keg in the Wyoming and Lehigh fields by the strike of 1900.

<sup>9</sup> This came about in requiring the miner to fill larger cars, to increase the number of pounds to a ton, and in the operation of the docking system

of employment should have been accompanied by an increase in wages or by compensating advantages in other ways if the miner was to maintain his standard of living. As it was his necessity for more money wages increased,<sup>10</sup> at the same time the competition of the foreigner prevented an increase in those wages. Not only did the competition of the foreigner prevent an increase in wages when changing conditions demanded it, but it put in motion forces which resulted in an actual decrease in net wages. In brief the forces at work upon the English-speaking miner down to the strike of 1900 tended year by year to increase the distance between wants and wages; the former were increasing not only in the ways mentioned but in other ways, while the latter were decreasing. In consequence his real wages were growing less—his standard of living was being lowered. Such a condition, whether it is that of the miner or one more fortunately circumstanced in life, causes dissatisfaction and results in discontent. This was the condition of the English-speaking miner. I do not mean to say that it was true of every one of them; I do not infer that all of them were in exactly the same condition as regards wants and income, but I do say that as a general statement forces were at work tending to that end. They operated less ruthlessly upon some than upon others, but they had somewhat the same effect upon all. This was the man and these were the general forces that brought about both strikes. The Slav had no particular grievances at either time sufficient to force him to strike. Although he worked under almost the same conditions of employment as regards his relation to capital as the English-speaking mine worker, the forces attacking the latter's comparatively high standard of living did not affect the Slav.

I cannot here go into details as to the far-reaching effects of this competition of a low with a high standard of living.<sup>11</sup> It crosses and recrosses every occupation in the industry—skilled as well as unskilled. Among the individuals in the same group and between the different groups competition is intensified. In all of them workers are forced out of the industry; some are compelled to lower

<sup>10</sup> The cost to the miner in the application of his labor to produce coal had increased just as the cost of producing a ton of coal had increased to the mining companies, but labor had been unable to receive compensation in raising wages while capital had succeeded in demanding higher prices for its commodity.

<sup>11</sup> For a more detailed account of the competition of the Slav with the English-speaking mine worker, the reader is referred to my article, "The Real Cause of the Miners' Strike," in *The Outlook* of August 30, 1902.

their standard of living; others are prevented from raising their standard, while to many the struggle to exist becomes a severe battle for the necessities of life. The pressure on some mine workers is so great as to force their boys of tender years into the breaker and their girl children into the silk mill in order that their mites may add to the family income. This competition affects the lives of hundreds of thousands of people; it even determines the number of births in a community as well as influences powerfully the physical and mental qualities of many yet unborn. It is one of the great dominant forces at work in the anthracite region of Pennsylvania to-day threatening and retarding communal advancement and attacking those institutions which we as Americans justly pride so highly. Like all great forces it has its beginning in small things—in the ability of a group of men to live on less than another group—in the desire of the managers of capital to secure a low cost of production—and like these forces its effects are so far-reaching as to be untraceable in all their manifestations.

This unrestrained competition of labor with labor in the anthracite industry is the same economic law working destruction to a fair wage for labor as had played havoc and wrought ruin not only to a fair interest on capital but to a large part of capital itself in that industry. The high interest which capital at one time secured from anthracite mining had drawn other capital into the region to produce coal. Soon there was too much capital invested for the work to be done. Capital which could do that work for the least return—whose cost of producing coal was lowest—competed with the capital which needed a greater return in order to meet its higher cost of production. Capital generally was in the industry and could not readily go elsewhere. It had to earn an income for its owner. A low interest was to some managers of capital better than no interest. Some of the capital demanding a higher return sought investment elsewhere, but by far the greater part of it was compelled to work for a small return and in not a few cases for no return at all. The remuneration of capital in the anthracite industry generally was fixed by that part of it whose cost of production was lowest. Continued competition ushered in that period when capital as represented in mining operations and transportation facilities was forced to succumb and bankruptcy after bankruptcy of railroads and mining companies attest to the ruinous operation of uncontrolled com-



petition and to the fact that capital demanding a fair return for the work it performed was unable longer to work at the price set by the "cheap" capital.

The remedy for such conditions capital is seeking in the consolidation of railroads and mining plants. The "cheap," or non-union capital,—that which can mine coal at a lower cost of production and in consequence can sell it at a lower price—is either driven from the industry or forced to sell its commodity at the price demanded by that capital whose cost of production is greater. This price is fixed arbitrarily—it is set at the highest possible point<sup>12</sup> that will enable the working capital whose cost of production is greater to secure what is to it a fair profit. All capital producing at less cost necessarily earns a higher and higher interest as it approaches that having the lowest cost of production. Organization of capital then, is of advantage to all capital remaining in the industry. It is a disadvantage to the consumer of coal in the sense that prices are higher than under unrestrained competition of capital with capital.

Labor in the anthracite industry is attempting through organization to secure ends similar to those of capital. It aims to control the competition of labor with labor in that industry—to hold in check or minimize the evil workings of all those economic forces which tend toward compelling labor generally to sell at the price fixed by that part whose cost of production is lowest. With an oversupply of labor and the competition of two widely varying standards of living for the limited work there is to be done either the high priced or the low priced labor must ultimately leave the industry—the former will be lowered or the latter must be raised. The present is a most critical time in determining which it shall be. If unrestrained competition continues the Slav labor will dominate and the English-speaking worker will be driven out almost entirely. This emigration from the industry of the English-speaking mine worker has been going on for years as the Slav stream of immigration from the European countries has increased in volume.<sup>13</sup> The forces back

<sup>12</sup> There is a point beyond which it cannot go, and that is where the consumer begins to exercise his power to control price through substituting some other fuel. This is plainly seen in the prices of those sizes of anthracite used for steam purposes with which the bituminous product competes. And here again, we see in the prices of steam sizes of anthracite the effect of the competition of a low with a high cost of production.

<sup>13</sup> The increase of Poles, Hungarians and Italians among the employees of the Philadelphia & Reading Coal and Iron Company, the largest employer of labor in the Schuylkill field, from 1890 to 1896 was 12.6 per cent—from 23.6 to 36.2 per cent. The Poles increased 7 per cent—



of the movement have until recently been working so quietly that they have not drawn the attention of the general public. In recent years, however, the struggle has become most severe, resulting in general industrial unrest throughout the region and not infrequently in violence and bloodshed. If this competition of labor with labor in the industry is controlled the English-speaking mine worker is likely to remain in the ascendancy. This he will be able to do through taking the Slav into the United Mine Workers of America and setting for him a standard wage below which he is not permitted to work. This wage will be higher than the wage would be in open competition and in consequence will result to the advantage of all labor remaining in the industry—to the labor whose cost of production is least as well as to the labor whose standard of living is greater. The cheap, or non-union labor, just as was done in the case of non-union capital, will be driven from the industry.<sup>14</sup> The forces operating to this end receive more public attention than they do when acting upon capital, because of the ensuing violence and bloodshed. This is due to the impossibility of separating labor from its possessor, while capital is easily dissociated from the physical being of its owner. In driving non-union capital out of the industry the person of the owner is not directly affected. But in the case of non-union labor it is necessary to attack the individual laborer. This manifests itself through boycotting and violence. The underlying forces at work in the case both of capital and labor are not, however, one whit different.

The organization of labor, just as in the case of the organization of capital, means a higher price for the commodity than would result under unrestrained competition. In the one case the com-

from 17.3 to 24.3 per cent; the Huns, 5.3 per cent—from 5.9 to 11.2 per cent; and the Italians .3 per cent—from .4 to .7 per cent. For the same years the number of English-speaking mine workers decreased as follows: English, 2.1 per cent; Irish, 6.5 per cent; German, 3.7 per cent; Welsh, 1.5 per cent, and Scotch, .3 per cent, while American employees increased but 1.5 per cent.—From statistics published by Dr. G. O. Virtue in "The Anthracite Mine Laborers," Bulletin No. 13, Department of Labor.

Statistics from the twenty-second report of the United States Geological Survey show the percentages of nationalities for the entire region to be as follows: Americans, 21; Irish, 16; English, 5; Welsh, 9; German, 4; Scotch, 1—a total of 56 per cent; Poles, 27; Hungarians, 6; Italians, 3; Austrians, Slavs and Lithuanians, over one per cent each—a total of over 39 per cent for the non-English-speaking nationalities.

<sup>14</sup> In the sense here intended the cheap labor is driven from the industry if it raises its price to that of the union labor. From the point of view of organization, non-union labor may remain in the industry if it works for union prices. Mere membership or non-membership in an organization is not the meaning I give to union and non-union labor. Usually, however, the two are identical.

modity is labor; in the other it is coal. In both cases the consumer is affected. The consumer of mine labor is the railroad mining companies; the consumer of coal is the general public. The object of the consumer is to secure the commodity at the lowest possible price. An increase in price then, naturally affects disadvantageously the interests of the consumer. For this reason he objects to organization to control the price of the commodity.<sup>15</sup> This explains why the railroad mining companies have steadfastly, if not stubbornly, refused to recognize the United Mine Workers of America. The coal consuming public has as persistently refused to recognize the combination of railroads and consolidation of mining companies for the control of the price of anthracite. The public has even gone so far as to pass laws prohibiting this very thing. Despite these laws the combination exists and will continue to exist. This plain fact the consumers of coal should recognize; they should direct their energies to minimizing its evil workings and aim to secure more and more of its benefits instead of trying to fool themselves into the belief that that which exists does not exist. The same can be said of the railroad mining companies in their relation to the organization of mine labor. The forces compelling the mine workers to unite for their common good are so powerful that the opposition of the combination of capital will ultimately prove futile. It matters not what the particular organization is called; if it is not the United Mine Workers of America the same forces will be at work under some other name. And the cost to capital in opposing the working of these forces will in the end be far greater than would result from a recognition of them and the directing of efforts toward minimizing their evil effects.

As it is, organized capital is denying to organized labor what it claims for itself; organized capital demands for non-union labor what it refuses to grant to non-union capital. No one would claim such an attitude to be consistent because capital is no more consistent than labor when its interests are in jeopardy. From the point of view of the public, however, if organized capital exercises the "right" to compel non-union capital to sell its coal at the rates set by the capital having the greater cost of production, then organized labor has just as much of a "right" to compel non-union labor to sell its labor at a price—to work for a wage—which will enable that part to support

<sup>15</sup> The consumer feels directly the increase in cost resulting from organization, but does not see so plainly the indirect benefits to him flowing out of organization. He is thus inclined to oppose it.

its standard of living which is at a greater cost in producing its labor. If this is true, then its opposite—that the laborer has the “right” to sell his commodity in a “free” market to whom, when and how he chooses—is not true. It would be just the same as demanding and compelling that capital in the anthracite industry which can produce coal at the lowest possible price shall have the “right” to sell its commodity in a “free” market at whatever price the owners of that capital choose to ask. But when this question is propounded to the manager of capital he at once ceases to be a consumer of mine labor and becomes a producer of coal. As a consumer his object is to secure the commodity at the lowest possible price; as a producer his purpose is to sell his commodity at the highest possible price. This explains the reason but does not justify the attitude of the manager of capital who denies to non-union capital that “right” which he so persistently claims for non-union labor.

The “right” of the individual worker in the anthracite industry is not so much in a “free” market as it is in a market where a fair wage is assured. He has had a “free” market in open competition and we have seen what it has resulted in to him. Capital invested in the different industries in the United States would have the same kind of a “free” market if the tariff bars were let down and it was forced to meet the competition of cheaper products from European countries. Labor reared under American conditions and forced by our social and political institutions to meet a certain standard of living should not be compelled to compete with European labor having no such demands upon it. The experience of the past in the anthracite industry teaches us that it will be forced so to compete unless labor organizes for its own protection. In this way it may not be able to prevent immigration through tariff laws but it can protect its market by controlling the competition of the European labor when it enters that industry. Its aim in so doing is to secure what it believes to be a fair market by setting a minimum wage below which labor shall not be sold in that industry. It does this by taking the men of different nationalities, races, creeds, customs and languages, with their widely varying powers of industrial competition, and joining them in a common cause by the bond of unionism. Despite the prophecies of close students of conditions in the anthracite region of Pennsylvania all these heretofore antagonistic elements have been organized into “locals” according to their nation-

alities and languages and places of employment and around them all has been drawn a circle of mystic signals and signs and outward symbols by which each can understand that the other, even though he be a stranger in language, has the same common end in bettering their conditions of employment.

This bond of unionism is stronger than one can readily imagine who has not seen its mysterious workings or who has not been a victim of its members' newly found enthusiasm. It is to-day the strongest single tie binding together the 147,000 mine workers and the thousands dependent upon them. It is more to them than politics, more than religion, more even than the strong social ties usually binding together the members of a community. It is all of this and more to the mine workers, because it has done for them what all these others could not do. It tends to destroy the enmity between men in different occupations in the industry, at different collieries, in the different fields and to a certain extent even between the different nationalities. Before the organization came into the region group fought against group, class against class, race against race, and district against district. Instead of this continual internal strife the union has directed their energies into the channel of co-operation one with another.<sup>16</sup> Organization is teaching them the great benefit to the individual that comes from co-operation for the common good. In brief, the union is socializing the heterogeneous mass; is making it over from the individualistic point of view to that of the industrial group to which they, for the time being, happen to belong. It is changing the mine worker from a pessimist to an optimist. It has not prevented him from being discontented; it has probably made him more so, but there is as much difference between a pessimistically discontented man and an optimistically discontented mine worker as there is between poverty and progress. The former is hopeless; the latter hopeful. The former makes for drunkenness, extravagance of small wages and all the accompanying social evils of a mining town. The latter teaches sobriety, frugality and strengthens in fact all those virtues which go to make social progress.

<sup>16</sup> In demanding concessions from capital the majority of the mine workers present a united front, but within their ranks are many deep-rooted jealousies, some transplanted from foreign soils and nourished at first by their new environment, which tend to cause continual friction and internal strife. Probably the strongest of these is the difference in language. It has until recently formed an almost impassable barrier between the English-speaking mine worker and the Slav.

Through long years of failure when unorganized, the mine worker had been taught thoroughly the lesson that alone and unaided he could do nothing for himself in battling against the forces tending to bring him to a low estate. By two years of unionism he has learned thoroughly what a strong organization can do for him. In that time through the United Mine Workers of America he has seen the competition of the Slav controlled and regulated for the benefit of nearly all employees. Following this he has not only secured a direct increase in wages,<sup>17</sup> but has seen the operation of those forces which indirectly affected his earnings turned to his advantage. By the strike of 1900 the sliding scale for regulating wages in the Lehigh and Schuylkill fields was abolished<sup>18</sup> and the price of powder to the miner in the Wyoming and Lehigh fields was reduced from \$2.75 to \$1.50 a keg.<sup>19</sup> In the strike just closed the United Mine Workers demanded certain other concessions which if granted will tend to bring about more uniform conditions of employment in the three fields. These demands included an eight-hour work day, a minimum day wage, a more uniform plan for weighing coal and the recognition of the union. An increase in wages was also among the demands.

The effect unionism has had upon the employer of mine labor is also not without great benefit to the mine worker. It has made those conducting company stores, who made a practice of overcharging their customers, more circumspect in demanding high prices from the workers about the collieries; it has made the docking boss more careful in measuring the quantity of good coal when the miners' car load passes to the breaker; it has taught the operator that if the grievances of the mine employees become unendurable they are no longer forced to bear them but have recourse to a powerful organization which will take up their cause and fight if needs be to secure them justice.

It should not be inferred from what has been said that the writer argues for the retention in the anthracite industry of the English-speaking nationalities—the Americans, English, Germans, Irish,

<sup>17</sup> The increase in the strike of 1900 was 10 per cent. It is likely another increase will result from the strike just closed.

<sup>18</sup> This sliding scale had never been in use in the Wyoming and Lackawanna field. Under changed conditions the mine workers claimed that its operation had come to be disadvantageous to their best interests.

<sup>19</sup> Powder had already been selling at \$1.50 a keg in the Schuylkill field.



Welsh, etc. The employment is of such a hazardous nature that each year hundreds of lives are forfeited in the various occupations. In 1901, according to the report of the State Bureau of Mines, a total of 513 employees were killed and 1,243 were injured in and about the collieries in the production of 60,000,000 tons of coal. Thus for every 117,000 tons mined one life was forfeited and for every 48,270 tons there was one non-fatal accident. For each day the mines were in operation an average of 2.06 lives were lost. In the ten years ending December 31, 1900, a total of 4,381 employees lost their lives through accidents of one kind or another. While it is possible this cost in human life can be reduced it cannot be eliminated entirely. As long as it must be paid the best interests of society will be served by permitting the least valuable members of the mining communities to be the victims. Generally the English-speaking nationalities are married men with children and their deaths mean not only a cost to society in caring for their widows and children—through the 513 fatal accidents last year 277 wives were made widows and 624 children became orphans, but they present momentous social problems which the anthracite communities so far have not been able to solve. The Slav, as a rule, is unmarried, with no children, and his death is not usually followed by any long continued injury to society.

Even though it is found to be for the best, after a thorough investigation of all the conditions, that the Slav should be permitted to supplant the English-speaking nationalities in this industry, it does not follow that the economic forces tending to bring this about should be permitted to continue the havoc now being wrought by their operation. It should be possible to so control these forces as to secure the change with much less injury to the communities as well as to the mine workers. One such method is through the organization of the workers. By all means the low standard of living of the Slav should not be permitted to dominate the industry. If the forces which each year bring greater pressure to bear on capital to secure a lower and lower cost of production are allowed to work on labor uncontrolled it will be only a question of time when the supremacy of the Slav will in turn be attacked by still cheaper labor, possibly that of the Chinese, and the struggle of the past quarter of a century will have to be fought over again to the still further injury if not to the destruction of American social, political and industrial institutions in the anthracite region. Whatever nationality is to dominate



the industry a standard of living conformable to American conditions should be enforced upon the workers as well as upon capital. This is possible under present conditions only through such an organization as the United Mine Workers of America.

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## THE INVESTOR'S INTEREST IN THE DEMANDS OF THE ANTHRACITE MINERS

The president of the Reading Company, during the progress of the coal strike, stated that it was impossible for his company to grant the demands of the striking miners since to make the concessions demanded would be to destroy the corporation, for whose solvency and prosperity its officers were responsible. In other words, the real issue of the strike was declared to be a choice between higher wages for the men or solvency for the corporation.

The investment aspect of the controversy between the coal companies and their employees has received less attention than it deserves. The stocks and bonds of the coal roads are widely held. They are found among the investments of persons of moderate means. They are used as bank collateral. They constitute a portion of the assets of many investment institutions. President Baer's statement plainly implies that the United Mine Workers have made demands whose concessions means serious losses to the investors in these securities. If this statement is true, the gravity of the situation is much increased. The total outstanding capitalization of the five anthracite coal roads is \$604,500,000. It is no light thing to attack an interest of such magnitude when the success of the attack may be a material reduction of so important a mass of investment value. Moreover, besides the five coal carriers,<sup>1</sup> three other railway companies, the Pennsylvania, the Erie, and the New York, Ontario and Western are heavily interested in anthracite coal. The earnings of these roads will also be affected by an increase in the cost of mining. Let us consider the basis of President Baer's statement as applied to the outstanding capitalization of the *Reading Company*, the most important of the coal corporations.<sup>2</sup> The capitalization of the Reading is as follows:

<sup>1</sup> The five railroads commonly known as the Anthracite Coalers are as follows: Philadelphia & Reading, Central of New Jersey, Lehigh Valley, Delaware, Lackawanna & Western, and Delaware & Hudson.

<sup>2</sup> The Reading Company should be distinguished from the Philadelphia & Reading Railroad Company, whose stock and property it acquired in the reorganization of 1896.

Common stock .....	\$70,000,000
First preferred stock .....	28,000,000
Second preferred stock .....	42,000,000
General mortgage loan .....	63,146,000
Jersey Central collateral trust mortgage .....	23,000,000
Consolidated mortgage .....	18,811,000
Other bonds and debt .....	47,615,097
Total .....	\$292,572,097 <sup>2</sup>

The market value of the stock, which represents the surplus value of the corporation's property above the security for its various bond issues, on September 15, 1902, was \$119,390,000. This value is not apparently based upon realized earnings but upon future prospects. In 1901, for example, the Reading Company earned over operating expenses a profit of \$15,583,971. Out of this, fixed charges and taxes took \$12,920,884, leaving a surplus available for distribution to stockholders of \$2,663,087. This surplus added to those of previous years made the total surplus of the Reading Company at the end of 1901 \$5,172,830. Out of this, \$934,735 was paid in dividends on the first preferred stock; and \$366,371 was applied to the sinking fund, leaving the total surplus at the end of the last fiscal year \$3,871,724. Neither the second preferred stockholders nor the common stockholders received any dividends.

The narrow margin of profits over compulsory disbursements which the Reading Company earned during a period of exceptional prosperity is evident. The reserve, as shown on the income account, amounted to only 2.7 per cent of the par value of the stock and to 3.1 per cent of their market value. It is no doubt true that the Reading has followed the usual practice of American railroads in charging to operating expenses a large portion of the cost of improvements, a portion of which might with greater propriety be added to the reserve; but even when a liberal allowance for these concealed accumulations is made, the amount of accumulated profits over fixed charges is small. Many of the present stockholders who have held on through three reorganizations, and who have paid large assessments to rehabilitate the corporation, have still some time to wait before receiving anything on their investments.

At the time the strike was declared, the earnings of the Reading

<sup>2</sup> Col. S. f. gold loan not included.

were increasing. Stability of prices had been secured, and the outlook was favorable for the stockholders. As yet, however, the company, so far from being prosperous, was not altogether out of danger, if the demand for anthracite coal should decline. To the Reading Company now came the president of the miners' organization with a demand for a 20 per cent advance in wages. This is the plain meaning of the strikers' demands. Reduced to their lowest terms, an increase of 20 per cent in the contract price for mining coal, a reduction in the weight of the car, and an eight-hour day at present wages, means to the operator an increase of at least one-fifth in wages expense.<sup>4</sup> The total wages bill of all the anthracite companies in 1901, according to Mr. Baer, was \$66,000,000. The companies controlled by the Reading Company produced 26.23 per cent of the total output, so it is fair to assign them one-fourth of the wages cost or \$16,500,000.<sup>5</sup> An increase of 20 per cent in this amount is \$3,300,000, which, if the miners succeed, would be added to the expenses of the Reading.

The average surplus over fixed charges of this company for the three years 1899-1900 and 1901 was \$1,922,132. Even allowing that an equivalent amount of profits was concealed and invested in improvements which increased the earning capacity of the properties, and this admission probably exceeds the truth, the annual surplus over fixed charges would not exceed \$4,000,000. A large portion of these improvements, moreover, such for example as the building of way stations, represent merely the necessary incidents of the physical rehabilitation of the property and may not be reflected in increased earnings. When the increase in wages now demanded by the miners is deducted from this reserve, on the basis of the results of the last three years, the earnings of the Reading Company would fall to \$700,000 above its fixed charges. Supposing that half the demands of the strikers were conceded—and during the strike Mr. Mitchell offered to compromise on this basis—the deduction of \$2,200,000 from the average surplus would reduce it to \$2,350,000 above the dead line of bankruptcy. The earnings of

<sup>4</sup> President Baer states that the increase would be \$20,000,000 over the present figure of \$66,000,000.

<sup>5</sup> This estimate assumes that the Reading, which owns one-half the stock of the Central of New Jersey, would nominally receive one-half the earnings on the anthracite business of that road. The Reading and the Central of New Jersey together transported in 1901 one-third of the total output.

these three years have been unusually large. Unless important economies could be immediately introduced in the cost of mining and selling, or unless the market for the product could be broadened, it is plain that if the company should grant even half the strikers' demands, it would be unusually fortunate to pay the advance and at the same time keep out of the hands of a receiver.

The recent tone of popular discussion seems to be that the present contest is between a wealthy corporation and its poverty-stricken employees. It will conduce to clearness of thought if we remember that while the miners may be poor, the Reading Company, as compared with similar corporations, is also poor. The miner is struggling to meet his store bill and the president and directors are worrying over their slender surplus. The wages of the miners may be too low for comfortable living but the stockholders of the corporation are looking to the directors to get something for them in the way of dividends; some of them have been waiting for these dividends for the last quarter century. While the miners, on the basis of earnings in other occupations, may be entitled to an advance in wages, on the other hand, in view of the financial condition of the Reading, the officers of that corporation, who are responsible to the stockholders for the management of their properties, would have been undeserving the further confidence of their employers if they had failed to resist by every lawful means in their power the demands of the union.

So much for the position of the Reading. The Lehigh Valley, during this period, shows no surplus, but a deficit of \$2,026,991. It is true that its concealed reserve of earnings is certainly large. There is reason, however, to believe that it would be seriously injured by such an increase of operating expenses as the miners propose.\* The three other coal carriers, the Delaware and Hudson, the Delaware, Lackawanna and Western and the Central of New Jersey are in a stronger position. Their average surplus over fixed charges from 1899 to 1901 was \$5,707,994.37. They could probably pay the 10 per cent increase in wages offered as a compromise without danger of bankruptcy, although the dividends of the Central of New Jersey and the Lackawanna on the basis of the showing of the past four years would probably have to be reduced. The Reading Company owns \$14,300,000 of the stock of the Central of New Jersey. A

\* The estimated increase in the expenses of the Lehigh Valley is \$930,000.



reduction of dividends on this stock, therefore, while it might imperil the interest on the bonds issued to pay for the stock would not affect the interest on the bonds of the controlled road.

This is the investment aspect of the controversy. If the miners lose their case, and providing this strike is not soon repeated, the solvency of the weaker coal carriers is assured and those of their stockholders who are not now receiving anything on their investments can perhaps look for better things in the future. If, however, the miners obtain even half of their original demands, two of these five corporations are in danger of serious losses and the dividends of the other three, at least for some time to come, may have to be reduced. If the English-speaking miners succeed in their attempt to raise the standard of living in the anthracite region, so far as the present situation shows anything of the result, this must be done at the expense of the investors in coal stocks and bonds. The controversy, in short, is not between the corporation and the miner but between the miners and the proprietors and creditors of the anthracite roads; in a word, between the mine worker and the investor.

It may be urged, in fact it has been urged by the representatives of the mine workers before the Board of Arbitration, that the companies can recoup themselves for the increased wages by raising the price of coal to the consumer. The success of this expedient, however, is by no means certain. At least 40 per cent of the output of the mines is sold for steam purposes in competition with bituminous coal.<sup>7</sup> The price of the steam sizes cannot be permanently increased without reducing the demand. For the 60 per cent which remains for domestic use, it may be that the price can be advanced. The Philadelphia consumer, during the past year, has paid from \$5.75 to \$6.25 for a delivered ton of prepared sizes. He might pay a price sufficiently higher to allow the companies, without danger, to pay the increase in wages demanded. If such an advance is made, however, the door is opened a little wider to the substitutes for anthracite coal in domestic use: bituminous coal, coke, gas and oil, each one of which is already pressing into the domestic market; indeed there is much reason to believe that \$6.25 is too high for a permanent price. Bituminous coal has generally sold at less than

<sup>7</sup> This statement is based on records of individual operations, but fairly represents the conditions of the industry. The production of steam coal has largely increased in recent years.

one-half the price of anthracite and the adaptation of the cheaper product to the domestic buyer does not seem to be impossible. Sound business judgment would not apparently sanction a permanent advance in the price of anthracite coal sufficient to compensate for the increase in wages, especially when the hostile attitude of a large section of the population toward any advances in price by combinations of capital is considered. If the companies are to recoup themselves for a possible advance in wages it must be in some other way than by raising prices.

The possibility of reducing the cost of operation and distribution is much greater than that of increasing the price of the product. On the average, throughout the large cities of the east, the prepared sizes of coal have been sold during the last two years at about \$4.50 per ton to the dealer, and at \$6.00 per ton to the consumer.<sup>8</sup> Out of this margin of \$1.50 per ton is paid cartage, interest, rentals, expenses of advertising and soliciting and office expenses. These expenses, the writer is credibly informed, do not much exceed \$1.00 per ton, leaving about fifty cents per ton as the dealer's profit. From this again must be deducted the losses from bad debts and from breakage in the yards.

Now that competition in the anthracite coal trade has been checked and controlled, there is no reason for distributing coal through retail dealers. It could be done equally well by agents of the coal companies. The consumer must have his fuel. He would buy it just as readily from the Reading Coal and Iron Company as from the middleman. By instituting this reform the coal companies could greatly reduce the cost of distribution. The number of yards could be reduced. Wagons could be kept in continuous operation. Clerk hire and advertising expenses could be largely done away with, and cash terms of payment could be insisted upon. In addition to these savings, the coal companies, by selling direct to the consumer, could get for themselves all the middleman's profits. A large additional profit without increasing the price to the consumer would be the result. Indications are not lacking that the possibilities of profit involved in the elimination of the middleman are fully realized by the coal companies. The Reading has, during the past two years, taken over the business of its line salesmen, and this step is regarded as preliminary to similar moves in the large cities.

<sup>8</sup> Rebates from the circular prices have been given to stimulate summer buying.

Another possibility of economy lies in the better utilization of the fine coal produced in connection with the preparation of the stove sizes. At present, owing to the imperfect appliances in vogue for washing small coal, it comes to market containing a large percentage of slate which, in some cases, runs the total amount of ash to 25 per cent. This impure coal has to compete with bituminous coal, which, though sold at a higher price, is of superior quality. The market for the steam sizes of anthracite can, without doubt, be much broadened and strengthened if improved washing appliances are substituted for those now in use, and these improvements are gradually being introduced as their necessity becomes apparent.

In the same connection, the waste of fine coal, called breaker dust, can be profitably prevented. The amount of this material which is annually thrown away has been estimated by mining engineers in the region at from 5,000,000 to 10,000,000 tons. The figure first mentioned is probably conservative. This dust can all be utilized either in the form of briquettes, as is univercally done in Europe, or the dust can be burned by the use of automatic stokers, rapidly coming into general use. A large addition can be made to the income of the coal roads by putting this breaker dust in marketable form.

These are the most important of the various economies which can be introduced into the anthracite coal industry. They cannot be carried through in a hurry; much time must elapse before their general adoption. But the aggregate saving to the companies, which they potentially represent, is large. If the earnings of the roads increased, the stockholders would probably not offer violent opposition to a division of the new profits with the mine workers. The increase of wages which is now demanded by the union without regard to its effect upon the solvency of the coal roads might, in the course of a short time of years, be granted without injury to the investor.

The question immediately arises, however, suppose that the advance is made either now or in the future, will the miners be satisfied? The representatives of the mine workers have stated that they regard \$600 as the minimum wages necessary for decent existence. Suppose that by a fortunate conjunction of circumstances these companies are able, without danger of self-destruction, to pay this amount, will the miners stop there or will they take

advantage of the general sentiment in their favor to make fresh demands upon the coal companies? From the experience with trades unionism in the past, the answer must be in the affirmative. Even the highest paid of all laboring men, the iron and steel workers, have within the past two years taken a stand which showed not merely their disregard for contracts but their intention to place themselves in absolute control of the iron and steel industry. The repeated strikes in Chicago and St. Louis, the general strike of the International Association of Machinists and the recent strike of the mine workers show a general disposition on the part of organized labor to push their demands for higher wages without regard to the interests of the employer, and with apparently no conception that the investor has any interests whatever or that the stability of stocks and bonds is a matter which should in any way concern the laboring man. There is, therefore, no apparent reason to expect a greater degree of moderation on the part of the mine workers than has been displayed by other labor organizations. If they have the power to exact higher wages now, we may be reasonably certain that new demands will be made in the future.

It is now possible to understand the determined refusal of the officers of the coal companies to treat with the United Mine Workers except under the compulsion of public necessity and to interpret their apparent indifference to the clamor for a settlement as a manifestation of a conviction that if their properties were to be operated for profit the hold of the union in the anthracite field must be broken. If its power is strengthened and solidified by the support of public opinion, there is reason to fear that the struggles of 1900 and 1902 will be repeated in future years. If the mine workers gain control of the anthracite industry, the future of anthracite investments, not merely in stocks but in mortgage bonds, is extremely doubtful.

There is, however, another phase of the question which deserves serious attention. Public attention is now directed to the question of the overcapitalization of corporations, understanding by this term the issue of stocks and bonds to a larger amount than the earnings of the issuing companies will warrant. The effect of this practice is injurious to every interest except the interest of those who are directly responsible for the creation and sale of the inflated securities. The laboring man has been a heavy sufferer from the effects of overcapitalization. If this practice is to be allowed to continue, and if

public opinion is to protect the investor in his right to interest and dividends on any quantity of securities which corporations may see fit to issue, then there is very little prospect that the laboring man will improve his condition as rapidly as the interests of society would demand. A large portion of the profits of industry which might otherwise have contributed to advance his wages has repeatedly been deflected into the pockets of the promoters and underwriters of schemes for raising new capital.

Nor has the investor received any benefit from these practices. The investor buys a stock or bond on the basis of its yield, the higher and the more stable the return the higher is the price which he will pay. He is not, save in rare instances, able to share in the purchase of properties at a low figure for subsequent sale at much higher prices to the public. The fact that large amounts of such securities have been created and sold so far from being a benefit to the investor has, by the repeated disappointment of the extravagant expectations upon which the selling prices were based, inflicted serious injuries upon him in their decline. The securities of the Reading and the Lehigh Valley have furnished notorious illustrations of the losses which the investor sustains at the hands of the financier. It would be far better from the investor's standpoint if a large portion of the income which now is painfully inadequate to the payment of interest and dividends on inflated capitalization were paid to the laboring man, provided that the portion of income which remained could be capitalized on a conservative basis, and provided his possession of this income would not be endangered by the arbitrary exactions of organized labor. To make the matter more definite, it would apparently be far better for the holders of the \$140,000,000 of the three stocks of the Reading Company, on most of which no dividends have been paid, or are likely to be paid for some time to come, if they would exchange these stocks for \$50,000,000 of securities which would be certain to pay 4 per cent.

If the interest of the investor and the mine worker in the capitalization of the coal carriers were the only thing to be considered in determining the merits of the present controversy, the solution of the question would not be difficult. If the mine workers' demand was merely that their interests should not be sacrificed to correct the mistakes made in the capitalization of certain of the anthracite roads, and if the stability of these securities would be assured by rais-



ing wages and reducing the outstanding capitalization to the amount on which a fair return could be guaranteed, conservative judgment might ally itself with their cause. If the mine workers' demand was for a reorganization of the capitalization of the Reading and the Lehigh Valley so that the coal companies which they control would pay a minimum wage of \$600 per year, and if this demand were accompanied by a guarantee that if it were granted investments in the anthracite field would not again be disturbed, the mine workers would have a much stronger case than that which they now present. We may go even further and admit that any increase of profits in the industry should be divided between stockholders and laborers, provided that if profits declined the losses should be divided on the same basis as the profits had been shared. There is much reason to believe that a reorganization of certain corporations doing business in Eastern Pennsylvania on the basis suggested might result in an industrial and financial condition in the anthracite field far more satisfactory than that which has prevailed for the past thirty years.

The benefits of such a reorganization, however, from the investor's standpoint, would not be realized without the provision of definite guarantees from the representatives of labor that security of investments would not again be disturbed by the demands of the miners for a larger share in the profits of the industry than was set forth in the agreement. Such a guarantee, it is needless to state, the mine workers are in no position to give. The union has no pecuniary responsibility, nor any liability for breach of contract, and it is difficult to see how the problem can at this time be settled as the interests of the investor would otherwise direct.

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## LABOR UNIONS AS THEY APPEAR TO AN EMPLOYER

In an address before the New York Chamber of Commerce at its opening, ex-President Grover Cleveland said: "Commerce is born of enterprise, enterprise of struggle, but it need not be a struggle to the death." While he applied this statement to commerce, it seems equally applicable to the great problems now being solved between employer and employee. It is the struggle which is going on, to realize for the employer the best results from his investment, and to obtain for the workman, what he claims is his share of those best results, that is the cause of all the friction that exists to-day. In the carrying forward of this struggle, both parties, perhaps honestly, believe that they are working for the common good. The employer, whenever he can effect a reduction in the cost of the article which he manufactures (even though it is by the reduction of wages), believes that he is serving the public, and making possible the enjoyment of both comfort and luxury by the largest number, because of the lower price. The workingman, on the other hand, who resists this reduction in cost, looks only to his present personal comfort and believes that he alone is right, even though his enjoyment of the necessities and luxuries at the lower cost which is established by the improved methods of manufacturing may exceed in volume the loss that he sustains in the reduced wage. Altruism may be the motive, and even the result in each case, but selfishness is the charge made by each party against the other, and is considered a sufficient reason for the most strenuous resistance; resulting in a struggle, known better as strike, destructive to both, and ceasing only when some kind of conference results in restoring reason, and establishing a common ground of actual or supposed mutual benefit.

Until the introduction in this country of what is known as the factory system, or the accumulation of large numbers of men in one plant, the relations between the employer and the employee were individual and personal. Differences were easily adjusted and no necessity arose for labor unions. The aggregation of capital, however, the forming of corporations to carry on large operations, removed that personal contact and seemed to compel the organization of labor. With a firm belief in labor organizations, and an equally

firm belief in the organization of employers, if properly formed and governed, I can see no reason for lack of harmony in adjusting by means of such organizations, any matter that may arise between the employer and employee; because in each case, the organization is formed for the promotion of the mutual interests of its members, and the necessities of their relations to each other make co-operation the only practical solution of the best interest of both.

This method of conducting negotiations between the designated officers of labor unions and the employers' associations, has been successfully accomplished in a number of cases; and in proof of the desire to establish mutual interests and avoid common loss, the first act of all such negotiations is an agreement on both sides to prevent strikes or lockouts; and I can say to the credit of both, that such agreements have seldom been violated.

"There can be no room for conflict between labor and capital, when the same person owns the capital and furnishes the labor." Now, as this condition does not exist, conflict can only be avoided by a careful effort to understand the relation of one to the other, and of their several relations to the results obtained by the combination of both.

The condition that does exist, and the cause of the struggle to-day is this: The wage workers have formed combinations called unions, representing each separate class of labor, and by persuasion or force gathered into such combinations all those who are identified with the employment represented, except only such as elect to be free men and refuse to join the union. While the written laws of most unions provide for certain standards of skill in the craft, as a basis of admission, the facts are, that the only requirement is the payment of fixed dues, the obedience to all rules which may be made, and the total extinction of individual right; even to the extent that there is no means provided by which a member can withdraw when he ceases to be in harmony with the plan and purpose. The union having been formed, its first and apparently only work seems to be to make *demands* upon the employer.

Whenever the majority of the workingmen in any plant or factory join the union, demand is at once made by a delegate or business agent, coupled always with the threat of a strike. If the employer is not a member of some employers' association, where strength and support can be made upon, a strike or lockout ensues,

and the difference is finally settled by force. If one or all the demands are conceded, the union claims it is a proof of the justice of the demand, regardless of the facts which have caused the result.

When the demands are made upon the organizations of employers by the officials of labor unions, working under an agreement such as I have referred to, a conference ensues and the demands are carefully considered from their relation to general business conditions, and usually settled in such manner as to be best for both.

The principal demands that are made by labor unions to-day are: First, increase of wages, including the establishment of a minimum; second, a shortening of the hours of labor; third, a decrease of product, and fourth, the recognition of the union.

Upon these four issues almost every strike that occurs in the country is based, and yet no one of them is sufficient in itself to be adopted as the best standard for governing the relations between the employer and the employee, because each of them is more or less governed by greater laws over which neither has control.

In the question of wages no labor union has ever been able to establish wages so long as there was not full employment for all the workingmen in their craft in the country. Whenever the necessities of trade require the employment of less than the entire number, wages reduce and keep on reducing in ratio to the requirements of the employer; and when, on the other hand, activity of business requires the employment of a larger number of people wages advance and would advance by reason of the law of supply and demand without the effort of the labor union or walking delegates, or a strike. In a very recent publication of one of the labor union journals, the history of that union was plainly written in the fact that in strikes which were made for advance in wages, over 79 per cent were successful, while in strikes that were made against the reduction of wages, but 19 per cent were successful.

About two years ago I was asked to act as an arbitrator in one of our large cities, between certain employers and employees, upon the question of establishing a minimum rate of wage. The demand was, that this rate should be three dollars. The employers resisted the demand because they did not desire to establish a minimum. Before entering the conference, which was held with the president of the union, I took occasion to examine the pay rolls of the twenty-two firms engaged in the conflict, and discovered that out of over

six hundred men employed, only forty-five were not then receiving three dollars and more a day for their pay. That condition was the direct result of a scarcity of men in that particular craft, and an extraordinary demand for work in that particular city. The arbitrators failed to agree; a strike ensued, costing the workmen four or five weeks' wages; it ended without establishing a minimum rate. It is safe to say that the question of the wages of the workman can be eliminated as cause for conflict, because it will always be adjusted upon the rule of supply and demand.

It is true that the labor union claims from altruistic basis that all men who are employed the same number of hours at the same kind or class of work, shall be paid the same sum per hour or per diem for such labor; but nowhere in all the rules and laws of union, have I ever been able to discover that all men who receive the same wages shall perform the same labor for that wage. This demand on the part of the union is so conspicuously unfair that it is always met by a refusal on the part of the employer, even though he may be willing to advance wages upon a uniform basis.

In the past three years, possibly to a greater extent than at any previous time in the history of this country, labor unions have become prominent, active, and without doubt unduly aggressive. Their rapid growth has brought to their membership a large number of men incompetent as workmen, who have embraced this opportunity to demand recognition from the employer on the same basis as the competent workman; therefore the demand for a minimum rate of wage is sustained not by the voice and vote of the competent workman, but by that of the incompetent, who, because of the unusual need for and scarcity of the more skilled, hopes to gain an increase of wage which shall be measured not by the result of work performed, but by the demand made through his union.

On the other hand, in the operation of an employers' organization with which I am well acquainted, who annually meet in conference with the representatives of the union to which their men belong, a uniform rate of wage has been established and kept in force during the past eight or ten years, varying but slightly when necessary on account of conditions of business, while the same class of labor without the organization on the part of the manufacturers has often been reduced 50 per cent during dull times, to the evident loss of the employee. The minimum rate of wage as has been contested



for by all labor unions, is without doubt, absolutely unfair because it attempts to establish a condition which is impossible and is only an effort, as was announced in the recent speech of a labor leader, to establish a standard by which union men shall be measured by the energies of the lowest grade of workmen in the craft. Fair tests have produced this result in almost every case.

The attempt to shorten the hours of labor is commendable and will be attained, not by any special effort on the part of the labor unions, but whenever by adjusting the conditions of business, different trades can find it to their advantage to agree upon a reduced number of working hours, and arrange contracts and prices accordingly.

The main ground upon which labor unions have demanded shorter hours, has been the assertion that a man could perform as much work in eight hours as in nine or ten. If this is a fact it has never yet been fully established in practice, and never can be more than a theory, so long as the union leaders continue to support, or at least fail to denounce the effort which is made by local unions led by unwise walking delegates or committees, to restrict production. Every prominent labor leader will deny that it is the principle of their union to restrict production; and yet no union has the courage to enact a law which prohibits any act on the part of the members that will restrict the product of the individual or the shop in which he works. Every employer of labor is willing to pay increased wage for increased work; yet even in shops where piece-work is the rule, local unions pass rules limiting the day's work, or imposing a fine on the energetic workman who would gladly increase his earnings, because it would reflect upon the incompetent loafer, who can and will not work.

While the leaders of labor freely deny their approval of such methods, and in some cases honestly endeavor to resist them, the fact still remains, that the union to-day stands for: restriction of apprentices, opposition to labor-saving machines, resistance to methods which will increase product without increasing labor.

W. T. Stead, says regarding Great Britain: Our industrial progress is hampered in two directions: first, by the reluctance of the employers to invest in new machinery; and second, by the belief on the part of the workman that the "less work each man does, the more work there is for somebody else."

There is a certain objection to labor-saving machines on the part of many workmen, who regard all such machines as the owners of stage coaches regarded locomotives. It is calculated that every locomotive that we build makes work for more horses than the horsepower which it represents; there has never been so much demand for labor as since the introduction of labor-saving machines became universal.

From an employer's standpoint, good reason has never been established for the recognition of the union as it exists at this time. Not because the labor union, if it were organized and governed in a spirit of entire fairness should not be recognized, but because as a secret organization it claims the right to make rules which shall be enforced by a strike or otherwise, without regard to the conditions surrounding the business. If its purpose is the benefit of the workingmen, it requires no secrecy to bring about such results. There has rarely been an occasion in the history of strikes in this country where an employer has refused to meet his own employees, and discuss any question of difference with them. But in the demand for the recognition of the union, he is asked to meet the representative of that body, who may or may not have any direct knowledge of his relation with his own employees; and who may or may not be competent to consider any differences that may arise. If the labor union stands for what it promises to its members, it can safely remove the secrecy which now envelops its acts; it can safely announce its purposes openly; it can safely appeal not only to the employer of labor, but to the public for support in any fair demands that it may have to make. In other words the labor organization as it exists in this country to-day must be Americanized; must recognize all that is meant in the progress which we have accomplished in the direction of commercialism, in the direction of making this country the base of supplies for the world; and that can only be done by a co-operation which shall remove all disputed relations between the employer and the employee, not by bringing about what the labor union claims, an equal division, but a fair division of the profits arising from the results of their joint labors. While this is true of the labor union, it is but fair to say that the progress in the direction which is desirable for labor unions is prevented very largely by the refusal on the part of manufacturers or employers of labor to investigate and co-operate with the men of whom there are a great many, who, as

*leaders* of labor unions have in view the improvement of the condition of their members upon lines which are fair and honest to the employer; and who are ready at all times, as they have been in two or three cases with which I have been intimately associated, to adopt as a standard for the settlement of any disputes a conference of their members for conciliation instead of strikes or lockouts.

In my intercourse with the national officers of labor unions for a number of years, I feel free to say that the majority of those I have met, have been actuated by the highest motives; and have been ready at all times to adopt such rules and regulations as would harmonize the interests of the workingmen with that of their employers; but because of the aggressiveness of local lodges; because of the unwise efforts of walking delegates and men of small powers, the employer has found it necessary for his own protection in many cases, although I believe unwisely, to denounce the union and refuse to recognize it. As far back as 1898 the president of one of the leading labor organizations of this country hoped, in an annual address, which he was making, that it might be possible to secure the assistance of the manufacturers to aid the union to bring about more effective and harmonious personal relations. It is true that the best men do not control labor unions, though this is equally true of political relations, sometimes of financial relations, and many times the principal suffering we must endure from public reasons is because of the inefficiency of the men who are selected as our representatives. There is every reason, I have learned by experience, for the recognition of the labor union so far as its organic law is in accord with the business conditions of the country, and it is willing to accept as a basis of adjustment reason and conciliation rather than strife. One step towards bringing about this result has been the organization of employers who, by wielding an enormous force have been able to resist unfair demands made by unions, and in some cases with which I am familiar have held a series of conferences which have resulted in advancing year by year the harmonious relation which should exist between them; preventing, especially during the past three years, strikes and lockouts, both of which are expensive to the employer, the employee and the public.

Having said this in favor of organization, I am compelled to say that almost every indication upon the surface proves that local organizations are not formed or led in the direction of the best

results, but are controlled by the worst influences. As an evidence of this I have before me the constitution and rules of order of one of the oldest and perhaps strongest labor organizations in this country, which starts out with a preamble as follows: "Believing that under the present social system there is a general tendency to deny the producer the full reward of his industry and skill, we, in order to protect our craft, have hereby organized this union." It is this spirit of defiance; this spirit of determination on the part of the employee what should be his without reference to the conditions of business, that leads to the antagonism of the manufacturer at the start. Until the labor unions will refute this idea, and give as a reason for their being the harmonizing of interests between employer and employee, there can be little hope for settlement in the near future of the many differences that exist.

All of the employers' organizations with which I am familiar are based upon the principle of dealing fairly with their workingmen and establishing equity and justice as between the two. One of the unfortunate preventions to a speedy conclusion of this great dispute is the belief on the part of each that there is no right except his right, and that the rights of one are necessarily in conflict with the rights of another; while the fact is that the real right, or the real principle which should govern both bodies is a common interest; is co-operation which can only be established by an honest effort through conference between the two to discover what is the proper relation. The workingman is too apt to claim, perhaps from his mistaken judgment, that he is entitled to all of the profits that arise from the result of his labor, forgetting that on the part of the employer there must be the investment of capital, of plant, of energy, of effort, to make it possible for the workingman to earn even a part of the profits; and the adjustment of these profits in place of being upon the bases of each one endeavoring to secure the greater part, must eventually be the measure of value between the two.

The union, advocating as it does the best interest of the workingman, shows its weakness in its refusal to co-operate with any workingman who does not see fit to become a member. In the same constitution that I have quoted before, there is the declaration that the "unions shall have jurisdiction over the entire trade represented by its members in all its branches, and in all its subdivisions." If it were possible that the union invariably stood for the advance-

ment of the interests of its members, it would not be necessary to use force, ostracism and even slugging to drive men into the ranks; it would not be necessary, where a large number of union men are employed, to demand that one or two men who do not see fit to become members of the union, shall be discharged and deprived of employment.

I repeat that I am in favor of labor organizations, and in pointing out the acts of the union, as now managed, it is with the sincere hope that such changes will be made as will make it possible for the employer to co-operate with the union in any movement that is practical to improve the condition of the workingmen of this country.

The refusal of the employer to recognize the union, is not directed against the right to organize, but against the unjust and unfair demands made by the representatives of organized labor.

The work of harmonizing these two great interests is one of education, and I sincerely believe that progress is being made in that direction.

There is a common ground on which no dispute can occur, and I am sure employer and employee are honestly endeavoring to reach that point where mutual interests, determined by conference between leaders in both sides and concurred in by the rank and file, will produce harmony instead of conflict, prosperity for the employee, profit for the employer and the highest standard of American citizenship for all.

W. H. PFAHLER.

*Philadelphia.*



## THE EVOLUTION OF NEGRO LABOR

Few questions now before the American people are of more general interest than that which relates to the rôle the negro is to play in the great industrial advance of the southern states. The purpose of this article is to explain the present situation in the light of its economic antecedents and to call attention to some of the factors which will in no small measure determine future development. That there is much in existing conditions both of encouragement and discouragement is patent to every careful observer. Unfortunately most of those discussing the questions close their eyes to one or the other set of facts and are wildly optimistic or pessimistic accordingly. As everyone has his standpoint, let me say that I agree with Dr. J. L. M. Curry, who states: "I have very little respect for the intelligence or the patriotism of the man who doubts the capacity of the negro for improvement or usefulness." The civilization of a race has taken place many times in the history of the world. How long it may take for any given people, or whether the development may be stopped by unpropitious conditions, no one can tell. It took the Germans hundreds of years to absorb the Roman culture, and the immoralities of the May Days were the despair of the Puritians almost a thousand years later. One trouble regarding the negro is that we have no standard for comparison. It may be that if we knew the rate of progress of other primitive peoples we should find his progress remarkable.

We know comparatively little about the ancestry of the American negroes. They came, originally, from the west coast of Africa, but it is not known how far into the interior the slave trade had extended. Western Africa was inhabited by many tribes, some of which were much superior to others. It is certain that Semitic blood had been infused into the more northern tribes. All these tribal distinctions, however, have been hopelessly lost in America and to increase the confusion no small amount of white blood has been added. The number and relative position of negroes as contrasted with mulattoes, etc., no one knows, and the census does not attempt to ascertain. The traveler through the South is impressed by the fact that the leaders in industry and education are not pure

negroes. It should be remembered that a black skin is no guarantee of the pure negro. Crossing with the whites may show itself in shape of skull and features as well as in color. While ethnologists may not yet predict the results of race mixture, it is safe to say that it is unscientific to use the achievements of a score of half-breeds as an index of what may be immediately expected of the original stock.

In Africa the negroes had established no enduring state. At the time when the slave trade was at its height the strong hill tribes of the East had been crowding the weaker tribes to the low west coast; slavery in its worst forms was universal and slave raids were known long before the advent of Europeans. Cannibalism was prevalent; religion a mass of grossest superstition, with power of life and death in the hands of the priests of the mystic rites of the Voodoo and Obea. The sexual passions were strongly developed. Marriage was a living together for a longer or shorter time. Life and property were in subjection to the chiefs, consequently very insecure. Wild animals were dangerous. The damp tropical climate made great provisions for the future unnecessary, not to say impossible, while social conditions did not favor the accumulation of property.

The transfer to America made a sharp break with the past. Simple dialects were exchanged for a complex language. Physical health was carefully safeguarded; life became more secure. An emphasis previously unknown was placed upon the permanence of marital relations. In return the negro, for the first time, was made to work. Admitting, as all do, that slavery was an economic mistake, from the negro's standpoint it conferred a great benefit by teaching him to work.<sup>1</sup> Booker Washington has said: "American slavery was a great curse to both races and I would be the last to apologize for it; but, in the presence of God, I believe that slavery laid the foundation for the solution of the problem that is now before us in the South. During slavery, the negro was taught every trade, every industry, that constitutes the foundation for making a living." Dr. H. B. Frissell of Hampton has borne the same testimony. "The southern plantation was really a great trade school, where thousands received instruction in mechanic arts, in agriculture, in cooking, sew-

<sup>1</sup> "The Future of the American Negro"

ing and other domestic occupations. Although it may be said that all this instruction was given from selfish motives, yet the fact remains that the slaves on many plantations had good industrial training, and all honor is due to the conscientious men and still more to the noble women of the South, who in slavery times helped to prepare the way for the better days that were to come." Work is the foundation of human progress. The people which has learned to work and which lives where work brings proportionate results has made a great start toward civilization. The advantages of the discipline of slavery are seen when the negro and the Indian are contrasted. Dr. Frissell says of this comparison: "When the children of these two races are placed side by side as they are in the school-rooms and workshops, and on the farms, at Hampton, it is not difficult to perceive that the training which the black had under slavery was far more valuable as a preparation for civilized life than the freedom from training and service enjoyed by the Indian on the western reservations. For while slavery taught the colored man to work, the reservation pauperized the Indian with free rations; while slavery brought the black into the closest relations with the white race and its ways of life, the reservation shut the Indian away from his white brothers and gave him little knowledge of their civilization, language or religion."

Under slavery three general fields of service opened to the blacks. The first, of the quickest and brightest, was that of the house and body servants. These were constantly in the houses and with their masters and absorbed, as did the next class, no small amount of learning. The second class, consisting of men alone, comprised the artisans, carpenters, masons, blacksmiths and the like. In large parts of the South these had practical monopoly of the trades. In technical knowledge; they, of course, soon outstripped their masters and became, as compared with other slaves, independent and self-reliant. The significance of this training appeared in the generation after freedom was declared. The third and largest class embraced the field hands. To this class were naturally consigned the dullest as well as those whose services were not elsewhere needed. Some of these became foremen, but the vast majority worked on tasks directly under the eye of overseers. As a rule, the methods of agriculture were crude; tools, usually heavy clumsy hoes, were of the simplest; even plows were unknown in some districts until long after the war.

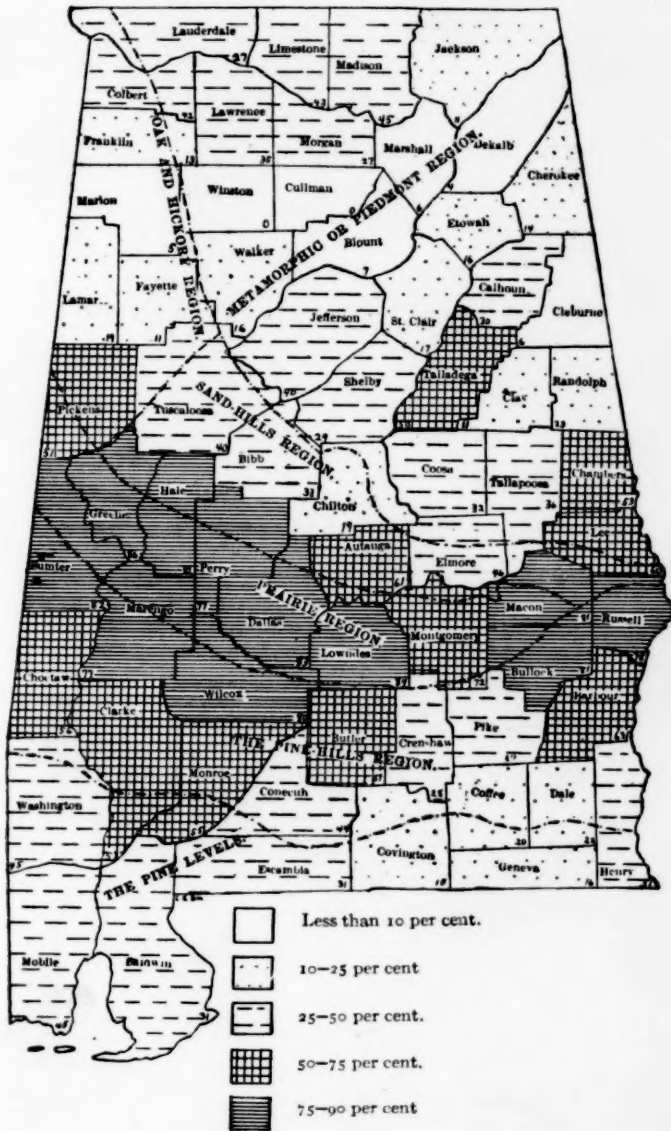
Within the past year I have seen grass being cut with hoes. The soil was cultivated for a time then abandoned for new land. Corn, cotton and in a few districts rice, were the chief crops, although each plantation raised its own fruit and vegetables and about the cabins in the quarters were often little garden patches. Slavery, however, like Africa, gave the negro little training in independence, in responsibility for propriety, in thrift and foresight for the morrow. All things were the master's, and he had to replace old tools, furnish a sufficiency of food and clothes, and be responsible for the whole. Thus, neither Africa nor America had trained the bulk of the negroes to any sense of personal responsibility away from the eye of the manager. Moreover, there had been nothing of home life with all that this means in the development of a race.

Freedom came, a second sharp break with old economic conditions. There was now no one to provide the necessities of life. But the negro can labor and the white must employ his labor. Gradually new relationships are worked out.

It is often assumed that slavery laid a black deposit of equal depth over the South. This assumption is incorrect. There are sections of the South where the whites knew and know as little about the blacks as do the average northerners. The economic causes which made slavery unprofitable at the North fixed its location in the South. The centre of slavery moved, therefore, south and west. Even before the war, Kentucky and Virginia had become largely breeding states and slave labor less and less profitable. The least desirable slaves were sold south, the best retained even when economically unprofitable, because of family pride. For this reason, perhaps, the Virginia negroes have often been considered the best of the race. At the outbreak of the war the alluvial districts of the lower Mississippi were probably the most prosperous of the slave regions. Since the war other causes, such as the attraction of northern cities, have conspired to make the rate of increase among negroes in the northern slave states lower than that of the whites. What this means to the economic life of a state is seen when we learn that in 1860 negroes were in a majority in five counties of Maryland, in but two in 1900; in forty-three counties of Virginia in 1860, and thirty-five in 1900, while sixty counties out of the one hundred showed an actual decrease of negro population between 1890-1900.

ALABAMA.

NEGRO PERCENTAGE OF TOTAL POPULATION, 1900.





In North Carolina in 1860 nineteen counties were black, fifteen in 1900.

For the sake of showing the location of the negro population to-day, Alabama is taken as a typical state. Other states are equally interesting. The map on page 59 shows the various agricultural districts of the state and the shading indicates the relation of the negro population to the whole. The heavy negro percentage is seen to lie in the black prairie belt, with a fair average along the Tennessee River. The only other counties in the metamorphic region showing any considerable percentage are Jefferson, in which Birmingham with its surrounding mines and furnaces offers plenty of work for unskilled labor, and Talledega, which has besides some mines a good deal of valley land and is a good cotton county. The poor land of the sand hills roughly separates the whites from the negroes. To the north the fields are tilled by whites, to the south by negroes. Along the Tennessee there are many negro farmers. In two counties, Winston and Collman, it will be seen that the census records only twenty-eight negroes. The explanation is that negroes are not allowed there and it is interesting to note that in this district the dominant element is that of Germans, who emigrated from Ohio since the war. The records show that six counties in north Alabama lost in negro population and two others were stationary during the last decade, while in the black belt the whites have decreased in four counties and are stationary in two others. It will be noted that negroes are in a minority in the pine flats district. This is true in other states. From 1890-1900 the negroes lost relatively in the metamorphic and sand hills districts, were stationary in the prairie and gained slightly in the oak hills, and more heavily in the pine woods. This statement is based on an examination of five or six typical counties lying almost wholly within each of the regions named.

This segregation of the negroes is found in all the states in a more or less marked degree. With a fairly dense population on the immediate seacoast of the Atlantic, the bulk is found from southeastern Virginia through eastern Mississippi, along the line of the pine hills and black prairie of Alabama, swinging north with this prairie as it enters Mississippi. Only the border of the metamorphic region is encroached upon. The negroes are again in the majority in the alluvial districts of the Mississippi and Red Rivers.

In Texas, though seldom preponderating, they are located chiefly in the oak and hickory lands, which run from the northeast corner, southwest through the centre of the state.

Wherever in the South a heavy negro population is found outside of what we may call the black belt, it may be accounted for by the presence of some city or by the development of some local industry giving employment to numbers of unskilled laborers. Thus, the counties in Virginia which are gaining heavily in negro population are those about Norfolk, Newport News and Richmond. In Mississippi the delta is the seat of an increasing black population. In many sections the negroes are leaving the hills for the more fertile bottom lands. Previous to 1884, only the lands immediately adjacent to the rivers in this district could be cultivated, now the railroads are penetrating every part of it. Meantime the levee system is lessening the danger of floods. Arkansas shows a similar, but slower, development. Oklahoma and the Indian Territory in the west and Florida in the east have attracted many negroes. Numbers have also gone to the coal field of West Virginia. The trend to northern cities has been mentioned.

The significance of this geographical segregation and the movement of the negro population is often overlooked, and this may lead to very great misconceptions regarding actual conditions. On page 419 of Volume VI, Census 1900, we learn that the negro landowner and cash tenant produced almost as much cotton per acre as did white owners and tenants and that in Mississippi the negro tenants actually produced more per acre than white tenants. Are we to infer that they are better farmers than the whites, or do these facts "denote remarkable progress," as the census informs us? By no means. In Mississippi the whites farm the hill country, the delta is cultivated only by negroes and the delta land will raise twice as much cotton per acre as the hills. No wonder the negroes' crops are larger. Moreover, the negro owner and cash tenant are not independent of the white man. Nearly all of them receive advances from white factors, who personally or through their "riders" visit their debtors and give instructions as to the cultivation of the crops. If these instructions are not followed the advances stop. If we are to base our estimates of the negro upon such facts we may as well argue that the negro owners are poorer farmers than negro tenants, for the same table shows that in nearly every state the tenants raise

more per acre than do the owners. The explanation, in part at least, is that the tenants are probably under closer supervision of the white planter.

This segregation brings up other questions. Why does Dr. Paul Barringer, of Virginia, find that race hostility is increasing, while Mr. A. H. Stone, of Greenville, Mississippi, says that their problem is "how to get more negroes"? What is the significance of the fact that there is least race friction in districts in which the negro is relatively most numerous? Why do lynchings and assaults upon white women seem largely confined to regions in which the negro is least numerous? What does this segregation mean for the future of the negro? Professor DuBois has noted a difference in cities. "Savannah is an old city, where the class of masters among the whites and of trained and confidential slaves among the negroes formed an exceptionally large part of the population. The result has been unusual good feeling between the races and the entrance of negroes into all walks of industrial life with little or no opposition. Atlanta, on the other hand, is quite opposite in character. Here the poor whites from north Georgia, who neither owned slaves nor had any acquaintance with negro character, have come into contact and severe competition with the blacks. The result has been intense race feeling." What does it signify that the prosperous section of Alabama is the north, in which whites predominate, while in Mississippi power seems to be concentrating in the alluvial regions in which the negroes are in the majority? Yet again, the manufactories which are springing up in the South are moving westward along the hills of the Piedmont and have scarcely affected the life of the negro. Is he to have no part in this save as unskilled laborer? Certainly here is a field for study which has as yet been little worked. The influence which this segregation has upon the school opportunities of the negro should not be overlooked.

This geographical segregation naturally has greatest significance for the farmers, who comprise some 85 per cent of the negro men in productive pursuits and 44 per cent of the women, for city conditions are everywhere more or less similar. The land occupied by negro farmers may be divided into several districts: (1) Virginia and Kentucky north of the line of profitable cotton culture; (2) the Atlantic coast; (3) the pine flats and hills which sweep westward around the Piedmont to central Mississippi; the black prairie of Ala-

bama and eastern Mississippi and the oak woods of Alabama and Mississippi; (4) the alluvial regions of the Mississippi and Red Rivers; (5) prairies of Texas.

1. In Kentucky negroes cultivate only about 4.8 per cent of the farms and in Virginia only 26.7. As has been noted, there seems to be an exodus from these farming sections. Cotton is no longer profitable and the tobacco industry seems to be concentrating in the hands of the whites. These Virginia lands have been greatly reduced in value in recent years and many have passed into the hands of negroes, perhaps because no one else wanted them. Farm hands get from six to ten dollars per month.

2. The sea coast region offers peculiar facilities for gaining an easy livelihood. In the northern section (Virginia) there has been a great development of the oyster industry, the negro oystermen making about \$8.00 per month and families occupied in shucking oysters earning up to \$400.00 per year, three-fourths gaining less than \$250.00. Berry picking occupies much time in the early summer. The work is not continuous as on the farm and is accordingly preferred.<sup>2</sup> In the southern portion along the islands of Carolina and Georgia the streams abound in fish and crabs. The climate is warm. There are some rice plantations and cotton is of the Sea Island variety. The day laborer gets from \$0.35 to \$0.50 on the farm; \$0.75 or so in the phosphate industry. This latter is declining and the negroes who left the farms to go into it are drifting to the cities. Land is abundant and cheap. In some places a negro can rent all he wants for \$10.00 per year, it being taken for granted that he will not use more than ten acres and \$1.00 being a general rent. The farmer gets advances of from \$35.00 to \$50.00 per year. The rice planters say it is harder and harder to get laborers.

3. In this section are grouped several different soils, but they are about equally adapted to cotton, the prairie soil being the best probably, and are under similar conditions of rainfall. The soils are light and easily tilled. They wash badly and have suffered greatly from improper tillage. The introduction of artificial fertilizers has enabled them to keep up a competition with the newer and better soils of the West. On the whole, however, it seems to be a losing game for the negro. To produce cotton successfully requires

<sup>2</sup>See Negroes of Litwalton, Va. Bulletin Department of Labor, No. 37.

an expenditure of \$1.75 to \$2.00 an acre for fertilizer and this the negro often fails to appreciate. The result is that in most of this district the negroes are not progressing as they might. Professor DuBois says: "A good season with good prices regularly sent a number out of debt and made them peasant proprietors; a bad season either in weather or prices still means the ruin of a thousand black homes. The industrial awakening of Georgia has tended to send up the rent of the farming lands, while at the same time the crop-lien system, being especially suited to a non-perishable crop like cotton, checks and often absolutely forbids diversity in agriculture and thus gives the 'unearned increment' almost entirely to the whites." Professor DuBois gives the record of a year for 271 families as follows:<sup>a</sup>

*Year 1898—Price of Cotton Low.*

Bankrupt and sold out .....	3
\$100 or more in debt .....	61
\$25 to \$100 in debt .....	54
\$1 to \$25 in debt .....	47
Cleared nothing .....	53
Cleared \$1 to \$25 .....	27
Cleared \$25 to \$100 .....	21
Cleared \$100+ .....	5

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271

In this district "one-mule farms," *i. e.*, thirty to forty acres prevail, the rent ranging from \$2.00 to \$4.00 per acre. The average amount of advances secured is from \$50.00 to \$75.00, a good profit being paid on all goods and high interest on the total advanced. In 1900 a typical family of three adults and three children, owning a mule and two cows, leasing fifty acres of land, not all in cultivation, secured the following advances:

Balance, January 1, 1900 .....	\$0 50
Cash .....	9 00
Clothing .....	9 79
Feed for stock .....	11 50
Provisions .....	13 48
Tobacco .....	80
Tools .....	40
Interest and recording fee (\$1.00) .....	5 77

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\$51 24

<sup>a</sup> See Bulletin Department of Labor, No. 35.



Advances are based on number of working hands. They begin about February and stop in August. The family must get along as best it can in the interim.

The balance of his money was spent elsewhere and he must have come out about even, as on January 1, 1901, he owed the planter about \$4.00. The plow and hoes, etc., needed by the farmer cost not to exceed \$3.00. Really a large part of the interest should be charged to "wages of superintendence," as the merchant has learned that if he wants his money he must himself, or by men called "riders," keep in constant touch with his debtors to see that the crops are cultivated. The negro knows how to raise cotton, but he may neglect to plow his field unless reminded. As is well known, the crop is mortgaged in advance, for few negroes are able to advance themselves. A dishonest creditor will manage to get about all the crop. This fact, combined with the necessity for raising cotton to meet the mortgage requirements and the lower price of cotton, has done much to discourage the farmer in this district and to drive the young people away from the farm. To these causes should be added the fact that few negroes raise their own supply of vegetables and are, therefore, compelled to buy. All plant gardens but few take care of them. The last catalogue of Tuskegee states: "If they have any garden at all it is apt to be choked with weeds and other noxious growths. With every advantage of soil and climate, and with a steady market, if they live near any city or large town, few of the colored farmers get any benefit from this, one of the most profitable of all industries." In a word, in the great trucking industry the negroes bear little part. Field hands get about \$0.50 per day and find themselves. A diversified agriculture would greatly improve the situation, but for this he is not prepared. In poor years large numbers seek temporary work on the railroads or in the cities. The planters say the old men, women and girls are their most steady workers.

4. The alluvial lands. These may be subdivided into the cotton in the north and the cane districts in the south. In the cotton district we come upon a very different condition of affairs. The cabins are better. Land rents from \$5.00 to \$8.00 per acre and the average amount tilled by a family does not exceed twenty acres. The average advances range from \$100 to \$150 per year. They are continued as long as is necessary. Wages range from \$0.60 to \$0.75 per

day, and during cotton-picking time \$1.50 upwards is often made. In 1900 a family of five adults and two children (under fourteen) came into the delta of Mississippi. They had nothing, not even decent clothing. In 1901 they cultivated thirty acres of land on which they raised twenty-seven bales of cotton. They now own a wagon and farm implements, two mules, pigs and chickens. Their plantation account in 1901 was as follows:

<i>Debit.</i>		<i>Credit.</i>	
Doctor .....	\$35 35	Cotton .....	\$1,091 28
Clothes and rations .....	284 10	Cotton seed .....	196 00
Mule .....	77 00		
Feed .....	5 00		
Extra labor (on their place) ..	67 60		
Ginning .....	101 25		
Rent .....	175 50		
Cash .....	290 00		
	<hr/>		<hr/>
	\$1,035 80		\$1,287 28

This left them a balance of nearly \$250. This family is composed of good workers, but they are by no means exceptional. I wish I could add that the negroes in this district were saving their money, but I fear most of them waste their earnings. In fact they often squander as much as families in the eastern districts earn. Of course there are many exceptions. Yet in spite of the opportunities planters find it difficult to get all the cotton picked. The average family can pick all they raise but they do not—hence a heavy charge for extra labor and this labor is often hard to get. The work must be carefully watched if it is to be well done. If the attempt is made to improve the cotton by taking special pains to secure certain seed, as like as not it will develop that some enterprising renter has mixed in a lot of poor stuff obtained elsewhere. In this region also wood is free and tenants often have free pasturage for stock.

The situation varies in the cane and rice country as here the planters pay cash wages for all labor. Houses with garden plots, firewood, etc., are furnished. The wages run from \$0.40 per day for women to \$0.70 for men, during cultivation, rising during the grinding season to \$0.75 for women and \$1.00 to \$1.25 for men, children, of course, receiving less. On cane plantations there is work the year round, but there is great difficulty in getting regular labor. All work

is done under careful supervision of overseers. The average yearly returns seem to be less than in the cotton country. One family of which I have record, the working force consisting of father, son (with a little assistance from two small children) earned, in 1901, \$382.54. The man owns a horse and buggy, lives and dresses well and has money stored away. Wages are usually paid by an order on the store, which must be cashed if negro has no account. The men seldom work more than five and one-half days per week, hence arose the custom of paying off every eleven days. The planter never knows how many laborers he will have on Monday and it is said to be difficult to get extra work done even at higher wages. On one plantation, in 1901, an effort was made to get the cane cut at so much per ton. Higher wages were offered and the men could make \$1.15, women, \$1.00 per day. After a week or so the hands asked to return to the gang at \$1.00 and \$0.75 per day, as they disliked the extra exertion. Negroes have had little to do with the development of the rice industry of southern Louisiana. Along the river some rice is raised, usually in connection with other crops. The rice season is short and other labor must be found if this is the sole crop.

The last district is found in the prairie regions of Texas. I have never visited this district and can get only hearsay evidence, which tends to show that the negroes are more prosperous than in most sections of the east. I make, therefore, no special mention of this state.

These six regions offer very diverse opportunities. The development is bound to be varied. We may, therefore, reasonably expect that the progress of the negro will not be at equal rate in the different sections and will follow very different lines. Enough has been said to indicate that in some districts the present situation is not specially favorable, while in others a surplus results from present labors. It is not in place to discuss the crop-lien system, etc., at length, but it may be said in passing that this system, bad as many of its features are, offers to the poor man an opportunity to at once start in and receive his supplies until the crop is made. He pays a big interest but the security is not good and it must be remembered that the white man pays big interest at the South and gets his money only under onerous conditions. The necessity of receiving advances greatly handicaps any development of diversified farming. In all sections the great criticism on the farm laborer may be summed up

in "unreliability." Mr. Alfred Holt Stone<sup>4</sup> says: "One of the traits which militates most against the negro here is his unreliability. His mental processes are past finding out and he cannot be counted on to do or not to do a given thing under given circumstances. There is scarcely a planter in all this territory who would not gladly make substantial concessions for an assured tenantry." Agriculture is becoming more and more scientific. The lessening price of the great staple, whose culture the negro understands, makes more necessary the practice of small economies. Is he in a position to exercise these? Regarding the negro farmer let me quote from a bulletin of the Farmers' Improvement Society of Texas: "Very many" (colored farmers) "in the first place do not try to make their supplies at home. Very often much is lost by bad fences. Lots of them don't know where their hoes, plows, singletrees, etc., are this minute. Lots of them buy butter, peas, beans, lard, meat and hay . . . well really, to sum up, if there's anything like scientific methods among the vast majority of our people I don't know it. . . . I venture to say that not one negro farmer in a hundred ever saw the back of one of these bulletins (agricultural), much less the inside." The need of some instruction which will enable the negro to take advantage of his agricultural environment and get the most out of it is apparent. In the opinion of many observers, the negro has a better chance on the farm than in any other occupation. The opportunity is almost endless. The South is not densely populated and thousands of acres of land lie idle either because of lack of workers or lack of intelligence to make them yield good returns. The negro has every opportunity to secure these lands either at fair price or rental and because of the system of advances may get a start when the white man at the North must work for a long time at wages to save enough to do his own advancing. I can but feel personally that the farm offers the mass of the negroes their opportunity, although for years to come it may be that their work must be under the close supervision of the white man. That appreciation of the value of constant labor and of the necessity for that "reliability" already mentioned as lacking, will be gained here if anywhere. But I am anticipating.

We have seen that besides being taught agriculture, the slave was trained in domestic service and in the mechanic arts. What is the situation a generation after freedom? In domestic service the

<sup>4</sup>The Negro in the Mississippi Delta, American Economic Association.

negro has maintained a monopoly in the districts in which he is numerous and in most of the towns and cities. Fifty-two per cent of the women in productive employments are servants. The average servant (female) receives from \$4.00 to \$8.00 per month and board, good cooks occasionally getting \$12.00 to \$15.00. The servant never sleeps in the house but lodges either in a small separate cabin or, more often, at home. The development of the towns has brought large numbers of girls from the country to act as servants. The practice of sleeping outside the houses where they are employed during the day subjects them to many temptations and is an unfortunate element of the situation. The quality of the service, judging from the almost unanimous consensus of opinion, is deteriorating. The children are not trained in the home and do not get elsewhere the training they receive under slavery. The evil is again, unreliability. Their competence is often unquestioned after a period of service, but little reliance can be placed in them. It is interesting to note that northern women who go south filled with the idea that the negro is abused usually have very great difficulty in keeping any servants at all during the first year or so of their stay.

The old custom of slavery, that whatever is left from the master's table goes to the cabins, is still adhered to and every housewife expects to feed the family of the servant. Those engaging two servants often try to get them from one family for obvious reasons. Within a week a friend of the writer in Philadelphia discovered that her girl's husband was being regularly fed from her larder. The servants come in the morning, leave in the afternoon and in some places will not return to get supper. When this is the custom the housewife is helpless unless extra wages solve the difficulty. During the summer, when there is a chance to get odd sums by picking berries and the like, servants are hard to obtain, "Ise restin'" being the response to would-be employers. Writing of Virginia conditions Professor DuBois has said: "There is considerable dissatisfaction over the state of domestic service. The negroes are coming to regard the work as a relic of slavery and as degrading and only enter it from sheer necessity and then as a temporary make-shift. The servants receiving less than they think they ought are often careful to render as little for it as possible. They grow to despise the menial work they do partly because their employers



themselves despise it and teach their daughters to do the same. Employers, on the other hand, find an increasing number of careless and impudent young people, who neglect their work and in some cases show vicious tendencies and demoralize the children of the family. . . . One result of this situation is the wholesale emigration of the better class of servants to the north."<sup>5</sup> Male servants get from \$8.00 to \$15.00 per month. The old body servants naturally became barbers, waiters, restaurant keepers, etc., under the new régime.

The negro artisan, as we have seen, had control of the situation in 1865. It must be admitted that this is no longer the case. Bruce<sup>6</sup> says: "Indeed one of the most discouraging features in the character of the negroes who have grown up since the war is their extreme aversion to the mechanical trades. . . . The explanation of this antipathy on their part is easily found: such pursuit constrains them to conform more closely than they like to a steady routine of work, which is more arduous and trying on the whole. . . . Above all the laborer is not tied down to one spot; if he grows weary of one locality he can find occupation elsewhere. But this is not the position of the young mechanic; his success is largely dependent upon his remaining in one place; he secures patronage by winning a reputation for assiduity and skill in his trade, and it is not possible to earn such a reputation as long as he yields to his inclination to wander." Booker T. Washington, than whom none could give more valuable testimony, says in "The Future of the American Negro:" "The place made vacant by the old colored man, who was trained as a carpenter during slavery and who since the war had been the leading contractor and builder in the southern town, had to be filled. No young colored carpenter, capable of filling his place, could be found. The result was that his place was filled by a white mechanic from the North, or from Europe or from elsewhere. What is true of carpentry and house building in this case is true, in a degree, in every skilled occupation; and it is becoming true of common labor. I do not mean to say that all skilled labor has been taken out of the negroes' hands; but I do mean to say that in no part of the South is he so strong in the matter of skilled labor as he was twenty years ago, except possibly in the country districts and the smaller towns. In the more

<sup>5</sup> Negroes of Farmville Bulletin Department of Labor, January, 1898.

<sup>6</sup> The Plantation Negro as Freedman.

northern of the southern cities, such as Richmond and Baltimore, the change is most apparent; and it is being felt in every southern city. Whenever the negro has lost ground industrially in the South, it is not because there is a prejudice against him as a skilled laborer on the part of the native southern white man; the southern white man generally prefers to do business with the negro mechanic rather than with a white one, because he is accustomed to do business with the negro in this respect. There is almost no prejudice against the negro in the South in the matter of business, so far as the native whites are concerned; and here is the entering wedge for the solution of the negro problem. But too often, where the white mechanic or factory operative from the North gets a hold, the trades union soon follows, and the negro is crowded to the wall." Quotations and observations to the same effect might be multiplied indefinitely. As a rule the negro works for less wages than the white in the same trade. His standard of life is also lower. Negro carpenters and bricklayers receive from \$1.00 to \$2.50 per day, with an average, perhaps, of \$1.50. The quality of the work is generally inferior in common estimation. The negro working under white direction usually does better work than one alone. A man who has been intimately associated with negroes all his life, Rev. J. L. Tucker, Baton Rouge, La., writes as follows on this point: "A large school house was recently built here . . . all the digging and preparation of ground was done by gangs of negro men under white bosses. The mortar was mixed, lime and sand and bricks hauled by negroes. A white man gave to negroes the exact proportions of ingredients for the cement, cement mortar and mortar for the different parts of the building, watched it done for a while, then went his way and the negro did that work, but the white man came back every now and then to make sure. That negro has been mixing mortar for many years, yet could not be entirely trusted. On the walls of the building were white men and negroes side by side, laying brick; but every piece of nice work was done by the white men. Straight work done by line and plumb the negroes could do, but the arches were turned, pilasters, sills, window recesses, etc., done by white men or quadroons; they could not be trusted to negroes. Let a negro build you a chimney and your house will probably burn down unless you stand over him and *make* him fill all the cracks with mortar. He may have been told a hundred times; he may have seen a house burn down by

his faulty chimney, yet he will not do his work as it ought to be done and as he knows how unless you stand over him. . . . Negroes nailed up the lathing without much supervision. Negroes did the plastering, but white men laid on the 'hard finish.' In my own house in one room the white plaster finish has largely peeled off from the mortar plastering underneath. A couple of negroes were left to finish that room. They knew how, that is, they had worked side by side with white men all their lives and had been told, and been made to do it, a white man prompting, hundreds of times; yet, left alone, did it wrong. . . . They are good helpers, usually docile, proud of their work, and doing good work when told each separate thing, and told again each time it is done." If it be said that testimony from southern whites is prejudiced, a quotation from a letter of a northern man now resident in the South and employing negro labor may be cited: "I am convinced of one thing and that is that there is no dependence to be put in 90 per cent of the negro laborers, if left to themselves and out of an overseer's sight." In my own observations I saw little discrimination because of color, much because of inability to get competent negroes.

As was suggested in the quotation from Mr. Bruce, the trades and the farm have been dropped for all sorts of unskilled labor, particularly in the cities, not only because of greater opportunities but for the social advantages. In every town the ranks of the unskilled are overflowing. Thus has arisen the problem of the negro criminal from this mass of semi-idle men. Many indeed are supported by wives or mistresses and spend their time "lookin' for a job." Yet objection to work, to hard work under trying conditions, if it be not the steady day in and day out grind, the negro has little. America cannot show a happier, more cheerful body of laborers than these blacks doing odd jobs about the city, diving for phosphate rocks in the rivers of South Carolina, unloading fruit steamers at Mobile, working on the levees of the Mississippi, lumbering in the pine woods of south Alabama or digging coal about Birmingham. Free and easy, careless of the morrow, with tempers of children, angry in a moment yet cherishing no revenge; sullen and surly if they feel abused; working for ten to fifteen cents per hour, seventy-five cents to a dollar a day; preferring to work three days and play four; the last cent gambled if opportunity offers—an aimless, drifting life with nothing saved for old age—they are the typical unskilled

laborer of the South. The cotton of the best lands often is wasted because of lack of pickers. On the wharves of Mobile there is never any scarcity of laborers—the magic of the city which has caused trouble in some northern agricultural districts.

I am not arguing the question whether this oft-mentioned unreliability is the result of a lowering of the negro's standard or the rising standard of the white. It may be that in this respect, in quality of workmanship, in knowledge and self-control, there has really been progress. I have simply tried to show that, judged by the needs and demands of the present, the negro is still decidedly lacking. Personally, I am not surprised at this. I should be astonished if conditions were otherwise. The trouble is that most of us at the North are unable to disabuse ourselves of the idea that the negro is a Yankee with a dark skin. Therefore, we think that if all is not as it should be that some one must be keeping him back, some force restraining him. We accuse the southern white man, attribute the trouble to slavery. Something *is keeping him back* but it is his inheritance from thousands of years in Africa, not the southern white man nor slavery. It is my observation that the southern white in the negro belt will deal with the negro more patiently and gently and endure far more of shiftless methods than the average northerner would tolerate for a day. Of course there are exceptions—few in number—who say, as did a lumber man in Alabama last summer: "I never have any trouble with the negro. Have worked them for twenty years. Why—I haven't had to kill one yet, tho' I did shoot one once, but I used fine shot and it didn't hurt him much." On the other hand I have seen men enduring and taking for granted a quality of service which made me writhe in agony. We have attempted to hasten natural progress and are impatient at the seeming meagreness of results. Compare the negro of to-day with the negro in Africa and what a contrast there is!

Judging the average negro by our standards we find him suffering under some serious disabilities. Gross immorality—indulgence in which is seldom a bar to active church membership—bigamy, adultery and similar offences seldom are heard in the courts; venereal disease widespread. Marriage, a mating of more or less permanence, often without any ceremony, while divorce is equally informal. Crime and insanity increasing. Home life primitive—no regular meals nor common family interests. Children allowed to grow,

receiving neither at home nor in the average school any training in neatness, punctuality, obedience and industry. A people to whom time is no object. A church service advertised at 11.00 may begin at 12.30. Great lack of foresight; as economists say, an over-appreciation of present goods. Lack of thrift—the list is too long already. To his credit we find a personal devotion to one whom he trusts which is faithfulness itself. During war time the families of the soldiers were well cared for. One of the most disastrous results of the years following the war was the alienation to so large a degree of the former masters and slaves. The negro respects and trusts the white as he does not a fellow negro. It would be a happy day for the negro if the white woman of the South should again take a personal interest in his welfare. Greatly to his credit also is the willingness to work, and work hard under white leadership. Slavery taught him to work, but as a race he is not yet ready to work alone and get the best results. In his favor also is that friendliness on the part of the white man, which leads him to prefer the negro as a workman under ordinary conditions. It must be remembered that the succeeding generations will be less moved by this sentiment and will base their preferences on quality of workmanship.

*cross  
misstatement  
I disagree*

Another factor in the problem which is growing in importance is that of white immigration. Into many southern communities is setting a tide of immigration from the North. White barbers, carpenters, masons, cooks are making their presence felt. In agriculture the negro has experienced little competition. Yet the rice industry of Louisiana has been revolutionized within a decade. In "The Cotton Plant" (p. 242), Mr. Harry Hammond states that in thirty-nine counties of Texas in the Black Prairie region in which whites predominate, the average value of land per acre is \$12.19, as against \$6.40 per acre in twelve counties of similar soil in Alabama in which negroes are in a majority. He says further: "The number and variety of implements recently introduced in cotton culture here, especially in the prairies of Texas, is very much greater than elsewhere in the cotton belt." What will be the result when the white farmer seeking cheap land discovers (as he is slowly) that he can live and work in the richest soil in the country, perhaps—the alluvial regions of the Mississippi River? To-day over 80 per cent of the population is negro; will he be fit to hold his own or must he either surrender the best land or take a subordinate position?



As Dr. Curry has said: "It may be assumed that the industrial problem lies at the heart of the whole situation which confronts us. Into our public and other schools should be incorporated industrial training. If to regularity, punctuality, silence, obedience to authority, there be systematically added instruction in mechanical arts, the results would be astounding." The question of classical education does not now concern us. The absolutely essential thing for the negro now is that he learn to work regularly and intelligently. The lesson begun in slavery must be fully mastered. As Dr. E. G. Murphy puts it: "The industrial training supplied by that school (slavery) is now denied to him. The capacity, the equipment and the necessity for work which slavery provided are the direct causes of the moral superiority of the old-time darky. Is freedom to have no substitute for the ancient school? . . . The demand of the situation is not less education but more education of the right sort."

A great trouble with the mass of schools for negroes is that they have not fitted their pupils to teach the things upon which the negro's progress depends. Hampton and Tuskegee are attempts in the right direction. That they are being duplicated on smaller scales in many districts is a hopeful sign. The state institutions such as the school at Westside, Miss., and Normal, Ala., are not to be forgotten.

If agriculture offer the best field for the negro, it is a matter of regret that greater headway is not being made in the training of farmers. The training on the average farm is not sufficient, particularly in those districts where a departure from the traditional crops seems to be imperative. Even Tuskegee is not doing as much in this line as generally supposed, in spite of the emphasis I know is being laid upon it. In examining their last catalogue I find only sixteen graduates who are farming and of these thirteen have other occupations—principally teaching. Three others are introducing cotton raising in Africa under the German government. From the industrial department nine have received certificates in agriculture and six in dairying, but their present occupations are not given. Asking a prominent man at the Tuskegee Institute for the reason he exclaimed, rather disgustedly, that they didn't like to work and preferred teaching. Tuskegee is yielding great influence through its yearly Farmer's Conference and the smaller local association which meets monthly. There is a similar organization at Calhoun,

Ala., which has just held a fair, the exhibitors being negro farmers. At both Calhoun and Tuskegee and a few other places land has been purchased in large tracts and is being sold to the negroes at reasonable terms. It is too early to judge of the results of these experiments. In Texas there is an interesting organization, The Farmers' Improvement Society, which is composed of negroes. The aim is to stimulate the members to improve their homes, buy land, overcome the custom of receiving advances and to have a distributing co-operative society. A fair is held each year. From the *Galveston News* of October 12, 1902, I learn that the Society has about 3,000 members and that they own 50,000 acres of land, more than 8,000 head of cattle and 7,000 head of cattle and mules. If the figures are correct they indicate progress. The Hampton Building and Loan Association has been very successful and pays its stockholders 7 per cent dividends.

Mr. Joseph A. Tillinghast in closing his chapter on Industrial Progress ("The Negro in Africa and America") sums up as follows: "The general conclusion we reach, then, is to this effect, that an overwhelming majority of the race in its new struggle for existence under the exacting conditions of American industry is seriously handicapped by inherited characteristics. Economic freedom has not developed a sense of responsibility and a persistent ambition to rise, as many hoped to see. As a race the negroes are still wanting in energy, purpose and stability; they are giving away before the able competition of whites in the skilled and better paid occupations, and they fail to husband resources so as to establish economic safety." I think this a fair statement of the facts of the case. If I have indicated some of the lines along which there has been development and the conditions limiting further progress, I am content. Regarding the future, I am hopeful.

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## THE LABOR SITUATION IN MEXICO

The industrial constitution of Mexico varies so fundamentally from that of the United States and the racial conditions are also so different, that it is impossible to understand the labor problem of the country without a discussion of the fundamental social conditions there existing.

The population of Mexico is at present about 15,000,000 or 16,000,000. According to the census of 1895 this population was given at 12,632,427, and according to the preliminary figures for 1900 at 13,545,462. It is probable, however, that in each case the enumeration was incomplete, as owing to the ignorance of the population and the fear that the census was merely preliminary to a military draft and increased taxes, a large portion of the population evaded enumeration. Señor Romero estimated that in 1895 the true population was about 20 per cent greater than that returned, or in other words, about 15,000,000. On this calculation the population at present would be about 16,000,000.

This population is, for the most part, concentrated on the great central plateau of Mexico and lives therefore in a temperate, if not a cold climate. The greater part of Mexico consists of a high plateau, rising from the Rio Grande to the City of Mexico, and situated between the two coast ranges of mountains. Upon this plateau, which is called the cold zone, it would appear from the census figures that about 75 per cent of the people are massed, while on the temperate slopes of the mountains two-thirds of the remaining quarter of the population live; thus leaving about one-twelfth of the entire population resident in the hot, low coast lands. This massing of the population in the colder portions of the country has been of vital industrial importance in the past.

The population, and above all the laboring population, of Mexico is preponderatingly Indian. Unlike the aborigines of Anglo-America (Canada and the United States), the Indians of Mexico have maintained their existence and may still be said to form the backbone of the Mexican population. At the beginning of the nineteenth century, when Baron Humboldt was in Mexico, it was supposed that the Indians, who then constituted 60 per cent of the population, would

increase at the expense of the white and mixed races, but this development has not taken place. From the last available figures which we possess of the distribution of the Mexican population according to race, those of 1875, the native population forms 37 per cent, the mixed or *mestizo* race 43 per cent; while the whites make up 20 per cent. This relative decline in the number of Indians has been accounted for by their very high death rate, owing to malnutrition, insufficient shelter, lack of suitable medical attendance, drunkenness and liability to disease, and the decadence and probable ultimate disappearance of the Indians are subjects of frequent discussion. It cannot straightway be assumed, however, that this race is dying out, although its very rapid incorporation into the mixed race seems probable. The mixed race, however, is preponderantly Indian and the proportion of Mexican natives possessing no Indian blood must be very small indeed.

None but approximate results can be obtained from a study of the vital statistics of the Mexican population, owing to the extreme inaccuracy of these figures. From such data as are available, it would appear that in 1898 there were 489,933 births registered by the civil authorities and 256,474 registered by priests. It is, however, impossible to state just to what extent these are duplications. Probably the nearest approach to a determination of the actual number of births would be based upon the death registers and the figures for the increase in population over and above that due to immigration. These figures would place the number of births at about 625,000 for the year 1898, or about 28 per cent more than those given by the civil registry. The indications point, however, to a very high birth rate, especially if we assign the recent increase in the number of births to the persons actually included in the census returns. Of the births actually registered over two-fifths (in 1898, 42.5 per cent), were illegitimate. This percentage is very much higher in some states, amounting to over 75 per cent in Michoacan and to 93.6 per cent in the district of Zamora in the last mentioned state. This high proportion of illegitimacy, however, is in large part merely technical, as it represents the offspring of marriages solemnized by the church, but not registered by the civil authorities.

The statistics of marriages, which appear to be defective and incomplete, show an extremely early marriage age. In 1898, of all women, including widows who registered their marriage, over one-

fourth were between the ages of twelve and sixteen, and of the total number so registering their marriage, 54 per cent were below the age of twenty; while in the state of Yucatan 82.5 per cent were below that age. The early age at which such marriages are contracted and the considerable extent to which the civil, if not also the religious, sanction is dispensed with, are indicative of general improvidence on the part of the population. The death rate of the country, as shown from the statistics of mortality, is very high, the figures for such states as Yucatan being extraordinary.

The population of Mexico is, upon the whole, remarkably homogeneous. Of the total population 99.6 per cent are of native birth, foreigners forming only  $1/250$  of the population. Religiously, this population is equally homogeneous; 99.1 per cent of all persons being Roman Catholics, while only three-tenths of 1 per cent of the population acknowledge any religion other than the Roman Catholic. The population shows an excess of females over males, an excess which is apparently increasing, and in its age distribution it shows a shifting of the population toward the lower age classes, resembling in that respect the distribution, according to age, of the American negro. The official language of the country is Spanish, but statistics still show over 2,000,000 inhabitants whose mother tongue is not Spanish but some Indian dialect; while the true figures for such non-Spanish speaking Mexicans would probably be double that amount. In many districts there is practically no Spanish spoken. Thus, for example, in fourteen districts of Yucatan, excluding two of the coast districts, 83.7 per cent, or over five-sixths of the whole population, speak Maya, while only one-sixth speak Spanish.

The chief characteristic of native labor is its apathy. This is true both of the high and low lands and is due largely to climatic conditions, and to a considerable degree to the absence of winters. This indolence is also to some extent the heritage from the industrial conditions prevailing during the Spanish régime, which were aggravated during the first half century of independence. The widespread drunkenness of the lower classes of the population and the excessive use of stimulants of all kinds also detrimentally affect the labor of the country, while the general improvidence of the lower classes of the population may be noted in their tendency to gambling, their general unreliability, and their failure to be incited to more intense work by increased remuneration.



One of the clearest indications of the general inefficiency of the laboring class in Mexico is to be found in the statistics of education. According to the industrial census of 1895, 64.1 per cent of the population was unable to read or write although within reading age; 2.6 per cent of the population could read but not write, and 18.7 per cent were illiterates owing to youth; while of the total population only 14.3 per cent could both read and write, leaving 0.3 per cent with literacy unknown. If we exclude from the statistics those who were too young to be considered and those as well whose literacy was unknown, it would appear that only 17.6 per cent of the resulting population were complete literates. As the persons who escape the census enumeration belong, on the whole, to the lower and most degraded portions of the population, it is safe to assume that even this small percentage of literacy is considerably above the actual. The deficient instruction of the Mexican population, however, is being rapidly remedied and good schools are being established in all parts of the country. In the year 1898 there were 702,685 scholars in the public schools and 125,393 in the private schools, making a total of 828,078 scholars for the country.

While the Mexicans possess certain qualities which unfit them for efficient labor, they also possess characteristics which are highly advantageous. Though not of great physique, the average Mexican is capable of great endurance, especially in everything pertaining to walking or carrying. This, together with a high degree of patience and docility, a remarkable gift of imitation and a very marked artistic sense, constitutes a certain natural advantage which will be of increasing value to the Mexican workman in a later stage of his industrial development.

The statistics of occupation of the Mexican population can be obtained from the Industrial Census for the year 1895, or from a monograph by the author, on "Labor Conditions in Mexico," published in the *Bulletin of the Department of Labor*, January, 1902, from which the facts contained in the present article are mainly taken. These figures are based upon the returns made by individuals employed and not by industrial establishments. This arrangement naturally prevents certain groupings of employees under the general industry in which they are engaged and throws them into a class determined by the special work which they do. The enumeration is

also by no means perfect, the classifications being in many cases indeterminate and very far from being mutually exclusive.

"The most salient feature of the statistics is the disproportionately large percentage of persons, and especially males, engaged in agriculture, and the particularly large percentage of farm hands or *peones de campo*. Especially is this proportion of agricultural laborers large in comparison with those engaged in mining, commerce, the professions and the industries and fine arts. With regard to industrial employees, the most striking fact about the statistics herewith presented seems to be the very large percentage of workmen in occupations that require no great division of labor but are carried on for a limited market and in small establishments. The statistics of bricklayers, carpenters, seamstresses, palm-mat makers, blacksmiths, horticulturists, laundresses, bakers, cigar makers, tailors and shoemakers, as compared with the other categories, point to a large percentage of persons employed in industries conducted on a small scale."<sup>1</sup>

It may be seen from these figures that by far the most important group is composed of agriculturists, including proprietors, small owners and farm hands. This group makes up 2,890,991 persons, or 23.2 per cent of the total population, male and female, given as present in the census. In some states this proportion is much higher. Thus in Guanajuato, the proportion is 28 per cent and in Yucatan 27.8, the proportion being naturally smallest in the Federal District, including the City of Mexico, where only 6.2 per cent of the population are agriculturists. It is in this district that the industrial and professional classes are chiefly grouped, the Federal District or the City of Mexico including one-fifth of the lawyers, over one-fifth of the druggists, one-sixth of the physicians, and almost one-third of the engineers of the country.

As before stated, the chief employment of the population of Mexico is to be found in agriculture. Although Mexico is usually associated with mining, its chief industry is agriculture. While its exportation has always been chiefly in the form of metals, its production of agricultural products is considerably in excess of its mineral products. From the statistics of occupation above quoted, moreover, it would appear that the population was dependent upon

<sup>1</sup> Bulletin of the Department of Labor, January, 1902. Subsequent quotations are from the same source.

agriculture to an extent far exceeding that of most countries of western Europe. Thus there were employed in agriculture 2,880,482 males out of an active body of 3,779,953 engaged in gainful occupations other than employment in household or domestic service; or in other words, 76.2 per cent of the whole.

"The statistics of the distribution of persons engaged in agriculture among employers, clerks, administrators and independent agriculturists, as compared with farm laborers, throw light upon the character of land tenure and cultivation. In France, for example, according to the census of 1891, of the total number of persons engaged in agriculture, 54.6 per cent were counted as employers or independent farmers, 1.2 per cent as employees, clerks and overseers, and only 44.2 per cent as workmen or hands. In Mexico, on the contrary, of the total number of persons employed in 1895 only 1.7 per cent were included in administrators, overseers and assistants, and only 9.7 per cent as farmers (*agricultores*), while 88.4 per cent or, if the live-stock hands be included, 88.6 per cent were farm hands or day laborers (*peones*)."<sup>2</sup>

The great mass of this labor is unproductive. According to the crop statistics of the Mexican government for the year 1898, the value of all agricultural products was less than \$250,000,000 silver, equal to less than \$125,000,000 gold; while according to the census of occupation the number of persons employed was 2,880,842. It is conceivable that the number of persons engaged is somewhat exaggerated; and there can be very little doubt that the value of the crops is considerably underestimated. On the showing of these figures, however, the production of agricultural products per male employed amounts only to \$86.78 silver per year, or on the assumption of a silver dollar being worth fifty cents gold, to a little over eighty-three cents per week per male employed. Another indication is also furnished by the fact that, despite the large amount of labor absorbed by agriculture, there is but a small exportation of its products, while the great movement of cereals is toward, and not from, Mexico.

Statistics of agricultural wages in Mexico are practically non-existent. From time to time certain figures have been published by the Federal Government or by private persons, but all such data

<sup>2</sup>The word "*peon*" is now used in the sense of agricultural worker of a low, unskilled type, although in former times it signified approximately what is understood by the word *serf*.

have been in the nature of estimates rather than of exact figures.<sup>3</sup> Such figures as are obtainable frequently give nothing more than the average for maximum and minimum wages and do not even in either instance always state whether rations are included or not. Moreover, the conclusions drawn merely from the rate of wages are in many cases misleading, owing to the fact that the employer may be bound to the plantation by indebtedness and be forced to purchase supplies at exorbitant prices. Generally speaking, the agricultural wages are lower in those states of the great central plateau where the population is dense, but where manufacturing industries have not yet been greatly developed. In these regions there is frequently an excess of population over and above the needs of the industry and a consequent wasteful expenditure of human effort. Where the population is dense and manufacturing industries are beginning, however, wages rise to a higher level, and this is becoming more clearly observable in the neighborhood of the large cities. Agricultural wages are still higher in those states which are hot or in which the climate is unhealthy. "Generally speaking, wages are high in proportion to the sparseness of the agricultural population, to the heat and unhealthiness of the region, to the presence of large industrial establishments in the neighborhood, and by reason of the proximity to great cities."

Any statement of the average rate of agricultural wages in Mexico can be nothing more than a guess, but in the absence of absolutely accurate statistics such an estimate, based upon the faulty statistical material that is obtainable and upon observations of the author and of others, is perhaps better than no statement at all. With due reserve, therefore, it may be stated that the average wage of agricultural labor on the great central plateau is not far from three reals or thirty-seven and one-half cents silver; or in other words, that the wages expressed in gold are from one-fifth to one-seventh of those paid to agricultural labor in the northern states of the United States.

To a large extent the agricultural laborers in Mexico are pure-blooded Indians, or Indians with but a slight admixture of European blood. For the most part they are illiterate, ambitionless and passive, if not opposed, to the introduction of new machinery. "Their rela-

<sup>3</sup>For a summary of such figures as have been published, see article in the Bulletin of the Department of Labor before cited.

tion to their employer differs in various parts of the country and on various plantations, and in many places it is more like the conditions existing on the plantations in the southern part of the United States before the war than like the position of farm hands in the northern states at the present time." "The conditions, however, appear to be improving; schools are being established and agricultural machinery introduced, and the extension of railroads gives to the peon the advantage of legal redress in case of unwarranted aggression."

While agricultural wages are nominally higher in tropical Mexico than in other parts of the country, the condition of such workmen cannot be said to be better. The standard of life in tropical Mexico is very low and the requirements in the way of food, clothing and shelter cost but little labor. The people of the uplands do not desire residence in the low countries and the available labor supply of the planters becomes insufficient, especially in view of the increasing demand for tropical products. "In consequence of these conditions and of the improvidence and very low standard of life of the peons, there has grown up in tropical America a system of more or less compulsory labor, existing side by side with a freer system of labor."

These conditions differ in various parts of the country, but the system of enforced labor is carried further in the sisal grass plantations of Yucatan than elsewhere. On such plantations there is usually to be found a body of peons called *criados* or *sirvientes*, who usually have been born on the plantations. These *criados* are bound to the soil by indebtedness, since the young Yucatecan usually borrows from \$100 to \$200 when he desires to marry, and it is not the intention either of the borrower or lender to have this sum repaid. On the contrary, it usually increases through occasional misfortunes of the *criado* and through additional advances made by the planter. The law as applied in Yucatan apparently provides for the specific performance of a contract agreed upon or else the repayment of the money. "The repayment of the debt thus represents the cost of an emancipation, which is not desired or attempted, especially as it may represent the gross wages of several years." "The peon rarely, if ever, achieves independence, and the transference of a workman from one employer to another is only effected by means of the new employer paying to the former one the amount of the debt contracted. The system thus resembles slavery, not only in the compulsion under



which the peon works, but in the large initial expense required of the planter when making his first investment in labor."

The conditions of agricultural labor in Mexico are not entirely satisfactory. "The system of indebtedness and practical serfdom is not without its bad effects upon labor; it involves the planter also in great risk and large expenditure. The system results in the destruction of any desire on the part of the peon to be independent or to think for himself, and seems to lead to improvidence of all sorts. The debt incurred by the planter is frequently very large and may probably be many times in excess of the value of his land. It also necessitates a complicated and expensive system of labor agents and assistants to obtain new contract laborers, to prevent their flight, and to return them in the event of their running away."

"As a general rule, the labor cost to the planter in tropical Mexico is considerably greater than the money wages received by the peons. This cost includes the price or labor paid for the rations, the cost of obtaining the workingmen or of bringing them back in case of flight, together with the interest on the money advanced in loans and the occasional loss of the capital so advanced, as a result of the death or successful flight of the debtor."

"The low wages, however, appear to be largely the result of the ignorance and improvidence of the natives, and it is somewhat questionable whether higher daily wages would permanently benefit the peon, unless at the same time his standard of life rose. The experience of railroad companies and other employers of labor in Mexico has been that higher daily wages increase idleness, and that, if the wages for a day's work be doubled, the number of working days will be halved. It is also a fact confirmed by the experience and observation of many employers that the amount of labor performed bears no direct relation to the wages, and that even where work is done by the task instead of by the day the promise of additional remuneration will seldom result in an increased output."

"Another feature of the labor situation in Mexico, and above all, in tropical Mexico, which proves the inertness and ignorance of the laboring population, is the tenacity with which conventional rates of wages and conventional methods of payment are adhered to. The amount of land or the amount of cotton cloth given to the workman remains constantly the same for long periods, and the amount of work which makes up a day's task remains the same, although the

conditions themselves may have changed. The depreciation of the currency appears to have little effect upon the rate of wages of the agricultural population, although, in view of the fact that the articles consumed by the workmen are so few and so exclusively of home production, the effect of such a depreciation upon prices may perhaps be exaggerated. The quiescence and inertia of the population, in view of the depreciated currency, may be witnessed, however, in the district of Soconusco, in the state of Chiapas, where wages both of the free and of the indebted laborers are paid in Guatemalan currency called *cachuco*, which is about 25 per cent less in value than the Mexican silver."

The employment of Mexican labor in mining has fluctuated largely during the last four centuries. It is improbable that mining was engaged in to a very large extent in the time of the Aztecs, but from the date of the Spanish conquest a great body of labor was diverted to this industry. The conditions under which this labor was carried on were for a long time extremely severe and resulted in an exceedingly high death rate, but fortunately the principal Mexican mines known to the Spaniards were situated in temperate zones at a height of from 5,600 to 6,600 feet, and not like those of Peru near the region of perpetual snow. The condition of the miners gradually improved during the Spanish régime; labor became free and wages rose and at the beginning of the nineteenth century the Mexican miner was, according to the testimony of Humboldt, "the best paid of all miners."

After the achievement of independence, during the wars from 1811 to 1821, the number of miners and the wages of the men employed seem to have decreased, but since then both the number of men employed and the wages of the miners have risen, although the latter appear to be on a lower level when measured in gold than they were a century ago. In 1899 the number of persons employed in Mexican mines was 106,536, including 1,288 women and 5,852 children. The output amounted to about 5,200,000 tons of a value of about \$89,000,000. The persons employed here do not include some 29,192 persons employed in smelting and reduction works.

The diet of the Mexican working classes is restricted both as to quantity and quality. Small quantities of meat, eggs, milk and other animal products are consumed and the range of vegetables and fruits, at least upon the plateau, is also limited. The chief

article of diet is maize or Indian corn. This cereal has been the chief staple of consumption for many centuries and predominates to a remarkable extent in the diet. It is largely consumed in little flat cakes called *tortillas*, but is prepared in various other shapes. Near the coast a mixture of corn-meal and brown sugar is also largely eaten. Another principal article of diet among Mexicans is the bean. "This may almost be called the characteristically Mexican food, since corn is the main article of diet in many nations. Even in the higher social ranks, where European, and more especially French, cooking seems to prevail, the *frijoles* or beans appear to hold a disproportionate place in the menu. Among the common people the consumption is very great." The crop statistics give a total production of about 12,500,000 bushels of a total value of less than \$18,000,000 silver; but this is probably very much below the mark. "The consumption of meat, eggs, milk, butter, fresh vegetables and fruits, on the other hand, appears to be small on the plateau. The commerce in perishable food seems to be quite undeveloped and the absence of large cold-storage plants renders it difficult even for the richer classes to obtain vegetables or fruits grown at a distance, while the prices of such articles render their use impossible for the poorer people. The quality of meat used by the poorer people is very poor, the cattle are inferior to American animals, and little care is used in breeding. For animal food, recourse is often had in the large cities to meats in such condition and of such a nature as to be neither appetizing nor wholesome; but, while the consumption of meat among the better-to-do classes is extraordinarily great, especially in view of the climate, the meat consumption of the working classes is extremely limited."

"The crude, tasteless and monotonous diet of the Mexican of the laboring classes is rendered tolerable by an excessive use of condiments, namely, of red and green pepper (which dulls the taste), and a frequently enormous consumption of intoxicating drinks. Chief among Mexican drinks is *pulque*, which is made by fermenting the juice of the maguey plant." "In the lowlands of the coast brandy made from sugar-cane takes the place of *pulque*, and in other places, notably in Guadalajara and other places in Jalisco, the consumption of alcoholic liquors is chiefly diverted to *mescal* or *tequila*, a brandy which is very much in favor. In the neighborhood of the capital,

however, pulque must be considered not only as a stimulant, but as a staple of consumption, important, though deleterious."<sup>4</sup>

The diet of the laborer is restricted in quantity as much as in quality and the insufficient nutrition of large masses of the population is attested not only by the faulty crops but by the statistics of mortality in the city. Large masses of the population suffer from anemia, and while the endurance of the Mexican is great it is conceded by the majority of authorities that his capacity and desire for work "cannot increase very materially unless there is at the same time an increase in the amount and a greater variety in the kinds of food consumed."

The prices of food and other necessities are not low. For corn, which is by all means the chief article of consumption, the prices in Mexico in silver very much exceed the gold prices of the United States, and as a general rule the silver prices in Mexico exceed the silver equivalent of the gold prices in the United States. Despite the enormous number of men employed in the production of corn in Mexico the movement of the cereal is usually toward Mexico and never from that country. The price of cotton, which also enters largely into the consumption of the working classes, is very much higher in Mexico than in the United States, as a great part of the supply is imported from the latter country. The price of cotton cloth is even more in excess of the price in the United States. Prices of other commodities cannot be so easily compared, it would seem improbable, however, that the Mexican laborer of the unskilled type can secure greater quantities of the actual articles of his present consumption in Mexico than he could obtain of the same articles in the United States with the same amount of money.<sup>5</sup>

From the very inception of Mexican independence the government of that country has cherished the ideal of increasing the population by means of immigration. Many attempts were made to attract

<sup>4</sup>In 1898 there were produced (and consumed), according to the report of agricultural statistics (see *Anuario Estadístico*), 15,780,723 gallons of sugar-cane brandy, of a value of \$7,605,266 (Mexican currency); 11,565,521 gallons of *mescal* or *tequila*, valued at \$8,958,981; 64,869,585 gallons of pulque, valued at \$4,637,531; 97,000,873 gallons of *tlachique*, valued at \$5,391,301; and 705,598 gallons of brandy made from pulque, valued at \$537,139. Nearly five-sixths of the *mescal* was produced in Jalisco and Zacatecas, a large part going to Guadalajara, while almost half of the pulque was raised in the little State of Tlascala.

<sup>5</sup>For a discussion of the question of the labor of women and children and of the legal status of labor in Mexico, see the article, before quoted, in the *Bulletin of the Department of Labor*.

immigrants, despite the unfortunate experience with American settlers in Texas. During the short period of the French empire these attempts were renewed with great vigor, although without success, and again in 1885 an earnest attempt was made to colonize the country by securing both to immigrants and to colonists from other parts of the same country special privileges and advantages. The total result of the attempt to secure immigration, however, has not been considerable. No great body of European immigrants has been attracted and the industries of the country have been practically forced to rely upon native labor, despite the fact that this labor is in many cases extremely inefficient. It has been found practically impossible, in view of the low wages prevailing for unskilled labor in the country, to secure foreign immigrants. A more than usually strenuous attempt has been made to secure Italian immigration, but without great success, except in so far as skilled labor is concerned.

Nor does it seem probable that the attempts to populate Mexico with European immigrants will be successful for several decades at least, unless special inducements are offered. The advantages which Mexico offers at present cannot be compared with those which may be obtained from Argentine, and perhaps Chile. "Despite the large demand for labor, wages in Mexico are very low, and the increasing demand does not seem to have had a proportional effect in increasing its remuneration, when expressed in gold. The Mexican people appear to be on the horns of a dilemma, since it appears that the large body of labor cannot improve until immigration takes place, and that immigration cannot take place until the condition of labor is improved."<sup>6</sup>

While no immigration of unskilled labor from Europe may be expected, it is quite probable that a certain number of skilled foreign workmen may continue to be employed as the demand for such workmen, although small, is intense. If any large immigration of unskilled labor ensues, it will most probably consist of Chinese or East Indian coolies. By a treaty concluded in Washington, on December 14, 1899, between Mexico and China, the way for the

<sup>6</sup>This dilemma is somewhat similar to that which confronted the Mexican Government a generation ago, when the railroads leading to the United States could not be built without the country being richer and more peaceable and when the wealth and security of the country could not be advanced without the railroads. In this case the Government obviated the whole difficulty by itself assuming the risks of the operation in the form of a railroad guaranty. The analogy in the present case is not difficult to find.



immigration of Chinese into the United States was paved and Chinese immigration on a large scale rendered more practicable. There appears to be a strong demand for such immigration on the part of many of the tropical planters, but the question has not yet arrived at a point where the future policy of the nation can confidently be predicted.

"Generally speaking, labor in Mexico is cheap, inefficient, unintelligent and untrustworthy. Wages of labor are considerably lower than those prevailing in Western Europe, and very much lower than those current in the United States. The natural aptitude of the Mexican and even of the pure Indian is far from despicable, but the mass of the population is untrained to economic thought or industrial action, and there is a general apathy and disinclination to take thought of the morrow and a general satisfaction with the prevailing low standard of life. The diet of the workman in Mexico is greatly restricted, both in variety and amount, and in great masses of the population is so deficient as to cause malnutrition and chronic anemia. The agricultural laborer is more particularly lacking in energy, and while his endurance is great, his disposition is so lethargic, and there is so studied a slowness about his movements, as to render his labor ineffective and consequently dear." The Mexican laborer is also, as a rule, not skillful in the use of machinery and the race does not seem to be pre-eminently successful in the invention or adoption of modern industrial methods. Frequently, in spite of the ignorance of the laborer, it is cheaper to carry on work by machinery than by manual labor but the low cost of labor and the high cost of coal or power render the substitution of machine for muscle power somewhat difficult. The improvidence of a great portion of the Mexican laboring population and the unsteadiness and unreliability of the labor supply have led in certain portions of tropical Mexico to a labor system which is in some respects similar to that of legal slavery, while often in portions of temperate Mexico the ignorance and dependence of the workman, especially, the agricultural laborer, place him in the power of his employer.

The conditions herein described, however, are rapidly changing. There was great improvement during the latter portion of the Spanish régime and while conditions during revolutionary times were extremely bad, the groundwork for permanent reform was secured by the war for independence. "The marked improvement in the

condition of the labor class actually dates from the victory of the Liberal party, and more particularly from the accession to the Presidency of the present incumbent, General Porfirio Diaz. Within the last twenty-five years peace has been established on a stable basis, security has been maintained, brigandage eradicated, interstate taxes abolished, finances reformed, railroads constructed, and industry, agriculture and mining established on a stable, permanent basis."

"Coincidentally with this material progress there has occurred in Mexico a great advance in education and in everything pertaining to the moral and intellectual advance of the people, and as a result of this progress the condition of the laboring population throughout the country has improved in security, in legal protection, in opportunities for labor, in regularity of employment, and in the amount of wages."

Probably the most potent single factor in improving the labor conditions has been the introduction of railroads. This result has been obtained by stimulating mining, agriculture and manufacturing, by establishing foreign markets, by strengthening the central government and securing to the employed a larger measure of protection by permitting him to change his place of residence, and consequently his master, by breaking up the narrow provincialism of rural centres, and finally by creating a direct demand for labor upon the railroad itself. The improvement in certain districts reached by the railroads has been almost revolutionary.

Generally speaking, the condition of the laboring population of Mexico has been improved, first, by the gradual, almost imperceptible raising of the general level; secondly, by a change from unskilled to skilled labor and the selection of persons for the higher grade and higher class occupations. The raising of the general level has been very slow and as far as real wages are concerned very slight. The improvement is more evident in the second direction. The labor of the country is still predominantly unskilled but the gradual displacement of unskilled by skilled labor, due to the introduction of machinery, may be seen both in a positive and negative manner; positively in the increase in the number of skilled laborers, negatively in the partial or complete cessation of various forms of socially unprofitable labor. The better class positions are frequently occupied at first by foreigners but the general tendency is for their gradual displacement by persons of native birth.

"In Mexico it may be said that the improvement in the conditions and remuneration of labor has been a result rather of outside influences than of any agitation or combined effort on the part of the employees, and the indications for the immediate future point to the same influences working in the same direction. A class consciousness on the part of the great mass of workers, whether agricultural or industrial, can hardly be said to exist in the Republic, and no representation of such a class is sought in the arbitration of wages or in the councils of the nation. There is no conflict between labor and capital, no wage contest on a large scale between organized employees and employers of large masses of labor. Both wages and other conditions of labor are still largely a matter of tradition, and the improvement that is taking place appears to be due almost entirely to forces outside the great masses of workmen themselves."

"The great levers by which the labor of the country can be raised to a higher level are universal education, both academic and industrial, European immigration and the introduction of machinery." Education is making very rapid progress and machinery is being rapidly introduced, although its use is restricted to a considerable extent by the low rate of wages, by the ignorance of employees and by the high price of fuels and the cost of repairs. The question of European immigration is rendered more difficult by the low rate of wages prevailing and until this condition shall have been remedied it seems improbable that any great movement of unskilled workers from Europe can take place. On the other hand, it is not improbable that an improvement within the country may eventually be accelerated by the small immigration which it may possibly attract. The question of Asiatic immigration is one of an entirely different nature and has already been discussed.

"Upon the whole the most encouraging view of Mexican labor is to be obtained by considering not the actual conditions, but the probable effect of tendencies now at work. These tendencies appear to be almost entirely in the direction of an improvement in the conditions of the laboring population, and while the progress which has been made has been exaggerated by many writers, and while the real wages of the population have not increased as rapidly as many persons have stated, there can be no doubt that all the tendencies at work are favoring the growth of an independent and intelligent working class. The indispensable condition to its future progress

is peace and a strong, intelligent government. The progress which has been made has been achieved in less than a generation, and although the work of uplifting the whole population to the standard of Western Europe is a herculean task, the progress already made renders it not improbable that the result will be achieved."

WALTER E. WEYL.

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## BOOK DEPARTMENT.

### NOTES.

THE POLITICAL GEOGRAPHY of Africa is being subjected to such important changes from time to time that it has for some years been a difficult problem for geographers to keep pace with political events. It has been almost impossible to get an "up-to-date" geography of Africa. Those who have vainly sought for a complete work of this sort will welcome the publication of a new and entirely revised edition of Elisé' "Afrique australe."<sup>1</sup> Although, of course, the volume has to do in the main only with South Africa, it is this section that has undergone the most important changes in recent years. The work of revision has been done by Onésime Reclus in such a manner that the book, as it now stands, is practically a geographical, political, economic and ethnographical encyclopædia of South Africa, written in the interesting and accurate style of Reclus. There is a vast amount of statistical material, several excellent maps, a chapter on the Transvaal war, and a bibliography.

The chapter on the Transvaal war manifests no sympathy for the English point of view, and describes the unwisdom of the war in such words as these: "Had England known what price she would be required to pay for destroying the two Dutch African republics, had she known that it would be necessary to send 240,000 men to Africa, *i. e.*, nine times as many as she had on the battlefield of Waterloo, had she foreseen the multitude of defeats that she was destined to suffer, had some prophet predicted that her honor would be tainted and the universal faith in her practical common sense destroyed, and had she realized that at least \$600,000,000 would be expended in the undertaking, she would undoubtedly have hesitated before beginning the war."

IN THE CAMBRIDGE HISTORICAL SERIES, the aim of which is to sketch the history of modern Europe, Dr. Brown<sup>2</sup> has undertaken a history of Scotland. As originally planned, the author tells us the work in one volume was to cover the last four centuries, but lack of a comprehensive medieval history made it necessary to modify this design. Volume I is, therefore, devoted to medieval Scotia; a forthcoming volume will have modern Scotland for its subject. In the volume at hand Dr. Brown brings the historical account of the Scottish people down to the death of James V., contemporary with Henry VIII. of England. His method is one of subordination of national leaders and of persons in prominent position to social and political movements. To this end he has divided his volume into four parts. Part I has

<sup>1</sup>"*L'Afrique Australe*" (geographie universelle). Pp. 358. Librairie Hachette. Paris, 1901.

<sup>2</sup>"History of Scotland." By P. Hume Brown, M. A., LL. D. Pp. xxix, 408. Price, \$1.50. New York: Macmillan Company, 1900.



for its subject "The Beginning of Scottish History," the picture being one of isolated tribes and inter-tribal contests. This part ends with the consolidation of highland and Celtic races. Part II takes for its theme "The Consolidation of Scotland," ending with the consolidation of highlands and lowlands under Alexander III. The struggle with England is the subject of Part III. In this the leadership of Baliol, Wallace, Bruce and others, which finally established David II. as the recognized and anointed king, and the complete severance of all feudal ties with England, are set forth. The last division takes up the contest between "Crown and Barons."

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THE MONOGRAPH BY DR. GEORGE CATOR, ON "Trust Companies in the United States,"<sup>3</sup> is commonplace. The subject is one of commanding interest, both from its historical and present financial bearing. The work of the author is in every way disappointing.

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THE INTERNATIONAL RELATIONS of the little kingdom of Belgium<sup>4</sup> form one of the most interesting problems of the law of nations. The importance of Belgium for her powerful neighbors is in inverse ratio to her territorial limits. A rich soil, prosperous industrial conditions and an honest and thrifty people have always made Belgium an eagerly coveted prize for the rulers of Germany and France. Fortunately England has been watchful lest one of her great rivals should gain too much power, too much wealth and a first-rate naval base with an inland seaport, almost within a gunshot of her own unprotected shores on the North Sea.

We cannot, in this short notice, review the very interesting chapters which Professor Descamps has devoted to the origin of the present situation of Belgium and to her policy as a neutral state, neither can we do more than mention the valuable collection of diplomatic transactions which the author has carefully reproduced in his work. Such matters are of special interest for the student of European history from the sixteenth century down to the Franco-German war of 1870. But we feel sure that the third, and by far the most important part of this book (pp. 300 to 580) will be profitably read by anyone interested in the recent problems of public international law. It might be very properly described as an exhaustive legal commentary of the state of permanent international neutrality. For not only does the author fully explain the rights and obligations of Belgium as an independent, sovereign and neutral state, whose neutrality is guaranteed by the five great powers of Europe in order to preserve peace, but he draws also a very interesting

<sup>3</sup> Pp. 113. Price, \$0.50. Johns Hopkins University Press, 1902.

<sup>4</sup> "*La Neutralité de la Belgique*," au point de vue historique, diplomatique, juridique et politique: *Etude sur la Constitution des Etats pacifiques d'un titre permanent*—par Ed. Descamps, sénateur, professeur à l'Université de Louvain, etc. Pp. 630. Price, \$2.50. Brussels: Larcier, 1902.

sketch of the neutralization of Holland, Switzerland, Luxemburg and the Congo Free State, soon to become a Belgian colony.

The learned professor's book derives additional value from the fact that his ability and intimate knowledge of the subject have secured him the high honors of delegate from Belgium and secretary to the Peace Conference at the Hague and of recent appointments as member of the Permanent Court of International Arbitration and as general secretary of the Institute of International Law.<sup>5</sup>

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FEASEY'S MONASTICISM<sup>6</sup> can be cordially commended to the general public. The first book, dealing with "Pagan, Jewish and Christian Monasticism," is the least important part of the work. The second book is styled "St. Benedict, Founder of Western Monasticism;" it is a discursive, but readable account of the work which the different monks did in the middle ages. It justifies to a certain extent the sub-title: "A Forgotten Chapter in the History of Labor." It will be of great interest to all except the few scholars who are already familiar with the services to civilization wrought by the monks. The third book, "Conventual Constitution," treats of the government, officials and daily life of a monastery. It is full of interesting details and touches upon almost every phase in the life of the monks. There is an unimportant "Conclusion," discussing the dissolution of the English monasteries by Henry VIII., and an appendix containing a useful list of religious orders and a list of some monastic brasses. The author, although an apologist, writes with great fair-mindedness. There are some errors in fact and certain statements might be questioned; but these are minor defects in a book which supplies information about one of the great civilizing agencies of the middle ages—and, too, information which can not as readily be obtained elsewhere.<sup>7</sup>

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"OUR BENEVOLENT FEUDALISM"<sup>8</sup> is an attractive title under which W. J. Ghent has brought out his *Independent* articles on the trust movement. These essays have already attracted much attention. As critical essays and as literature descriptive of present movements they have undoubted value. In the role of prophet, however, Mr. Ghent will find few followers. Too much account is taken of the power of capital and too little of the force of popular opinion and of the dominance of popular will when once opinion has been definitely formed. The author fails to recognize that blind fatalism is gradually losing its hold on society; that there is a movement toward intelligent combination and centralization in political activity which must in the end dominate in the interest of public welfare.

<sup>5</sup>Contributed by Professor A. Nerinx, University of Louvain.

<sup>6</sup>"Monasticism: What is It? A Forgotten Chapter in the History of Labor." By Henry John Feasey. Pp. 280. Price, \$1.00 net. London: Sands & Co., 1902.

<sup>7</sup>Contributed by Dana C. Munro.

<sup>8</sup>Pp. viii, 204. Macmillan, 1902.

VOLUME II OF THE SECOND EDITION of Professor J. P. Gordy's "Political History of the United States"<sup>9</sup> is published by Henry Holt & Co. This volume covers the history of the development of political parties from the end of Jefferson's administration to the beginning of Jackson's first term. In some respects Professor Gordy's work is an excellent one within the narrow field of politics. In places, however, it shows a lack of broad, historical perspective, as well as a lack of appreciation of the underlying principles that give color and form to party movements.

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"SAVINGS AND SAVINGS INSTITUTIONS"<sup>10</sup> is the title given by Mr. James Henry Hamilton, Professor of Sociology in Syracuse University, to an important work on this branch of financial institutional life. Professor Hamilton introduces his study by discussion of the theory of savings. After showing the social and educational value of saving and its economic importance, he then proceeds to a discussion of the best instruments of developing this power. In this relation the insurance company, the building and loan association, the co-operative bank, the municipal savings bank, the trustees' savings bank, the postal savings banks of England, Belgium, Italy, Holland, France, Austria, Russia and the British colonies are brought into review. The conclusion reached is that "the post-office type is best adapted to do the work which representatives of the other types leave undone and that it is, on the whole, the best fitted to the social needs of people in all sorts of social conditions." Professor Hamilton's study shows an intimate knowledge of the subject which he presents and his materials are well handled.

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AT A TIME WHEN THE Louisiana Purchase<sup>11</sup> is brought into special prominence by preparations for its centennial celebration, Professor James K. Hosmer's contribution to its history is especially timely. Dr. Hosmer's point of view, viz: that the acquisition of Louisiana by the United States was largely the result of an accident and incident to European politics and diplomacy, though not new, is presented with greater emphasis and detail than in the works of other writers. While it may perhaps be questioned whether the author gives to Jefferson and to the party in power at the time, enough credit for having recognized an opportunity of immense advantage to the United States and for seizing upon it at the proper time, the conclusion is well established that Napoleon's friendly disposition towards the United States and his sudden resolution to sell Louisiana to us arose out of his fear that England would add another colonial possession to the already immense

<sup>9</sup> Pp. 581. Second Edition, revised. New York, 1902.

<sup>10</sup> Pp. 436. Price, \$2.25. New York: Macmillan, 1902.

<sup>11</sup> "The History of the Louisiana Purchase." By James K. Hosmer. Pp. 230. Price, \$1.20. New York: D. Appleton & Co., 1902.

territory acquired from France. Marbois represents the Emperor as saying: "I know the worth of Louisiana and I have wished to repair the error of the French navigator who abandoned it in 1762. I have recovered it on paper through some lines in a treaty; and I have hardly done so when I am about to lose it again. But if it escapes me it shall one day be of dearer cost to those who forced me to give it up than the cost to those to whom I shall surrender it. The English have successively taken from France, Canada, the Isle Royal, New Foundland, Acadia and the richest territories of Asia. They are intriguing and disturbing in San Domingo. They shall not have the Mississippi which they covet." Although opposed by his brothers and by ministers of state and by the French law-making power this, in a sentence, accounts for the overruling purpose of Napoleon which gave to us Louisiana. After showing the cause and the character of the opposition to its purchase, and the subsequent struggles with Spain and Great Britain for its retention, the author concludes his work with an account of the development of that vast dominion, which has played so large a part in our national development.

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DR. BENJAMIN HOWARD'S "Prisoners in Russia"<sup>12</sup> will attract popular interest at a time when penology and criminology are subjects so prominently in the public mind. It is at once an account of adventure and a treatise based on association with the criminal classes. Proceeding from the point of view of the political and social bearing of crime, Dr. Howard gives out the testimony of an eye-witness to the working of a prison plan that excites our interest and admiration. The question may well be raised after such an account, whether the Russian prisoner is not more humanely treated than our own; whether the Russian principle of penal settlement is not one that other nations might adopt or reinstitute for civil as well as political penalties? One of the chief services of such a work is to place before the reading public a view of Russian penal institutions that heretofore has been wanting.

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IN PREPARING THE REPORT ON "The Social Evil" for the Committee of Fifteen, Mr. Alvin S. Johnson, instructor in Economics at Columbia University, has done excellent service for the general public.<sup>13</sup> His analysis of the attempts to regulate prostitution is a careful one. It is commonly assumed that in European countries many of the measures adopted have proved successful. Mr. Johnson shows that this is not the case. Conclusion is reached by inquiry: "If they have failed in Europe, what chance have similar schemes in the more complex conditions of American cities?" The committee assumes that the evil is to exist for a long time to come, and

<sup>12</sup> Pp. xxx, 389. Price, \$1.40. D. Appleton & Co., 1902.

<sup>13</sup> "The Social Evil." A report prepared under the direction of the Committee of Fifteen, New York: Putnams, 1902.

questions the wisdom of attempts to suppress or merely regulate as unwise. It is suggested that "moral regulation of vice" would be more efficacious. Flagrant incitations to debauch should be suppressed. Legitimate amusements should be separated from vicious surroundings. Houses obtrusively devoted to immorality should be closed, and the formation of disorderly districts thus be stopped. Openly immoral persons should be kept out of the tenements and children thus protected from evil example. Mr. Johnson (page 153) gives Prussia the credit for making the first systematic attempt to protect the children in this respect, but from his description it is hard to see in what way the law mentioned is in advance of the laws of some of our states, Illinois for instance. Proper medical provision should be made for treatment of venereal disease, and, to prevent the inoculation of the innocent, physical certificates are recommended for those desiring marriage licenses. "Reglementation would arouse the uncompromising hostility of a great part of the community. Intelligent moral control would meet with the approval of all, excepting of those who are not satisfied with a plan which would only gradually bring about moral and sanitary improvement, and who dream there is some royal road to the instant abolition of either moral or sanitary evil."

The "Raines Law Hotels of New York City" are discussed in an appendix.

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"DANIEL WEBSTER"<sup>14</sup> is the most recent contribution of Professor John Bach McMaster to American history. Though the central figure is the subject of biographic sketch, in content the work is of high historic value; it is the history of the two great struggles for national survival, made real and given life and movement by association with the deeds and words of one most prominent in the councils of the nation—one who more truly than any other one man sounded the keynote to national unity.

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MR. J. P. NORTON, in his "Statistical Studies in the New York Money Market"<sup>15</sup> has given to the public a very carefully prepared statistical analysis of the movement of reserves and other items of the consolidated banks of New York for twenty-two years. The title of his study would have been more exact had he called it "New York Bank Statistics for the Last Twenty-two Years." In so far as Mr. Norton has to do with the theory of money and credit he cannot be said to have added anything to the literature already extant except in so far as he may have made it more abstruse and involved by attempting to translate these theories into mathematical formulæ. He has added nothing to statistical representation other than a well-executed chart

<sup>14</sup> Pp. xi, 343. Price, \$2.00. New York: Century Company, 1902.

<sup>15</sup> "Statistical Studies in the New York Money Market." By John Pease Norton, Ph.D. Pp. 208. Price, \$1.00. New York: Macmillan Co., 1902.



of the weekly bank statistics. He may be said to have contributed something by way of giving a well worked out mathematical base for the study of these statistics from the standpoint of averages. These he has reduced to averages of growth, to averages of periodic fluctuation and to averages for giving a basis in the study of unusual changes. From the standpoint of the mathematician his work is of value if it may be taken for granted that his mathematical assumptions are true. From the point of view of the economist and the public man it is questionable whether the reduction of an assumption to mathematical formulæ assists in its comprehension or puts it into better form as a basis for reasoning. A second question arises as to whether or not these assumptions chosen by Mr. Norton are true.

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AN INTERESTING SERIES of monographs relating to local conditions in the region about Lyons, France, is being issued by the "Office Social de Renseignements et d'Etudes de Lyon."<sup>16</sup> The first volume deals with the economic and social movement in this region, and contains a series of studies covering the silk and ribbon industry, the cultivation of the grape, the clock industry and a number of papers relating to taxation and labor organizations. The editors of the series, Professor Paul Pic, of the Faculty of Law of Lyons University, and Professor Justin Godart, Professor of Political Economy in one of the local institutions, have evidently in mind a complete presentation of every aspect of economic and social life in that section of France. The material presented will be invaluable in the study of the industrial history of the country.

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THE AWAKENING of the English public to the waning commercial prowess of Great Britain has manifested itself in inquiries made by public-spirited men, and especially by the leading journals of the country, making inquiry into the causes of British weakness in competition with America and Germany. In no particular has this investigation been more startling in its results or appeared less favorable to Great Britain than in relation to her transportation systems. Among her shrewdest critics has been Mr. George Paish,<sup>17</sup> whose articles, first appearing in *The Statist*, are now placed in the hands of the reading public in book form. For the purposes of his investigation of railway conditions on this continent, Mr. Paish made a tour of America and Canada. His results are brought into comparison with the leading systems of his own country with which he was already familiar. In comparing American and English conditions his method of exposition has been one of alignment of the London and Northwestern Railway with the Pennsylvania system. The

<sup>16</sup> A. Storck et Cie, Imprimeurs-Editeurs, Lyon. Paris, 16 Rue de Conde, 1902.

<sup>17</sup> "The British Railway Position." By George Paish. Reprinted from *The Statist*, with introduction by Mr. George S. Gibbs. Pp. 322. Published by *The Statist*, 1902.

former is taken as the best type in England, the latter as representative of the most improved systems on this side.

Viewing the situation as a whole, Mr. Paish shows that the defectiveness of English railways is due very largely to two causes; *first*, lack of statistical information necessary to the understanding of the particulars of railway working in a broad way, and *second*, inferior organization, and adaptation to modern commercial conditions resulting in inability to economize.

Using the two systems above named as a basis for a specific comparison, Mr. Paish shows that the present method of carrying passengers, viz, one of separation of the patrons of the road into three classes and providing separate compartment accommodation for each of these is unfavorable to the highest economy. The first-class traffic does not pay; the average number of this class carried per train mile is only about two; there has been a decrease during the last twenty years both of traffic and revenues derived therefrom. Eighty-five per cent of the total passenger income of the road comes from the third-class and from the holders of season tickets. He further shows that in 1880, 45.6 passengers was the average number carried per train per mile, whereas in 1900 the number per train mile had increased to only 49.4.

The freight traffic makes an even less favorable showing. In 1880, the average train load was 65.6 tons, whereas in 1900 it had increased only three tons per train load. On the other hand, the cost to the customer of the road per ton per mile had remained the same and the expenses of handling the freight to the road had increased 24 per cent. Comparing the London and Northwestern with the Pennsylvania it is shown that the average passenger train load of the Pennsylvania is about seven times greater than that of the English system; the average Pennsylvania freight tonnage per mile is 486.6 tons as compared to 68.6 tons for the London and Northwestern. The capacity of the American freight car and the management of the American freight system has been such as to increase both the amount which may be carried in each car as well as the train load, thus increasing the economy with which this class of traffic may be handled.

A more detailed comparison of cost is as follows: "In 1880 the Pennsylvania was able to move a ton of goods at a cost of 27*d.*; in 1900 the cost was only 18*d.*, a reduction of 33 per cent. In 1880 the cost of moving a ton of goods on the Northwestern was 55*d.*; in 1900 it was 68*d.*, an increase of 24 per cent. Thus the cost of moving a ton of goods on the Pennsylvania has been reduced by 33 per cent while on the Northwestern the cost has risen nearly 24 per cent in twenty years."

Quite as striking is the comparison made with reference to the organization of the service. In this relation Mr. Paish shows that the British system has followed customary and stereotyped lines, whereas, under the intense competition engendered in America our systems have been constantly improved and economies have been wrought out which are largely responsible for the result above shown. One of the conditions standing in the way of improvement in the British system, as seen by the author, is the fact that nearly all of the private shipping facilities and loading appliances, as well as

the cars owned by private parties, are adapted to the old system. With this condition confronting the railroads and with Parliament holding them within strict lines it is conceded that the companies are helpless to adopt methods which business judgment would suggest. On the other hand, the management itself has been allowed to run on for generations without any serious consideration of better organization and greater economy. Recognizing the truth of Mr. Paish's position and suggestions, some of the most enterprising railway managers of Great Britain have begun a system of renovation. Mr. George S. Gibbs, the general manager of the Northwestern Railway, who writes an introduction to the book, states that in large measure the strictures made by the author must be accepted as true. He, however, calls attention to some of the dangers to be avoided in attempts to carry his suggestions too far.<sup>18</sup>

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AN EXCELLENT EXAMPLE of a spirit of fawning sycophancy prevalent among a considerable class of England's subjects is displayed in Pascoe's "Ceremony of the Coronation."<sup>19</sup> If to bow before ancient trappings and forms, to gape at dazzling equipages, can make a king or a people, then this portrayal may seem timely. An appendix is attached which shows the general plan of the festivities, also some interesting information about ancient robes and ceremonies.

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THE DRIFT OF THOUGHT in England as well as in this country is toward the notion that the two "great formative agencies of the world's history have been the religious and the economic." That "here and there the ardor of the military or the artistic spirit has been for a time predominant; but religious and economic influences have nowhere been displaced from the front rank even for a time, and they have nearly always been more important than all the others put together." It is with this conviction that Mr. L. L. Price<sup>20</sup> makes a brief survey of the commercial and industrial development of England from the earliest times to the establishment of free trade in the middle of last century. The author is under numerous obligations to Ashley and to Cunningham, and gives us a readable and welcome economic interpretation of historic events.

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"A TRANSLATION OF SEIGNOBOS' "History of the Roman People"<sup>21</sup> has just appeared. Dr. William Fairley, of New York City, is the translator. In

<sup>18</sup> Contributed by Frederick A. Cleveland, University of Pennsylvania.

<sup>19</sup> "Pageant and Ceremony of the Coronation of their Majesties King Edward VII. and Queen Alexandra." By Charles Eyre Pascoe. Pp. 200. Price, \$1.40. D. Appleton & Co., 1902.

<sup>20</sup> "A Short History of English Commerce and Industry." By L. L. Price. 12mo, pp. xii, 252. New York: Longmans, Green & Co.

<sup>21</sup> Pp. x, 528. Price, \$1.25. Henry Holt & Co., 1902.

his preface he states that "his aim has been to fit the French work to American class-room use." In this interest the judgments of the author have been preserved. Divergent views are presented in footnotes. Dr. Fairley has added two chapters to the original text to bring the history down from the reign of Theodosius I. to the time of Charlemagne, this period being most usually included in the course given in American schools. He has also added an appendix to each chapter, in the nature of a short list of sources in English for collateral reading.

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"THE NEGRO IN AFRICA AND AMERICA"<sup>22</sup> makes no pretence to originality. It does not seek to prove by allegory or otherwise the preconceptions of the author. When we find that the book is written by the son of an ex-slave holder, and that it is not polemic in tone, our interest is increased. Mr. Tillinghast, a graduate student at Cornell University, has written a book which should be read by all who are interested in the negro, and the reading should be made compulsory for all who debate the problems involved. As Professor Wilcox says in his introduction: "To realize that many characteristics of the American negro are part of his inheritance from Africa and were bred into the race there through long generations, may perhaps strengthen the patience and forbearance of those who seek to expedite his progress. . . . The work of Mr. Tillinghast has given me much light upon a question in which, for years, I have been interested and believe that many others will share my judgment." The main argument is to show that the heredity of the negro goes further back than slavery.

The book is divided into three parts. Part I deals with African conditions. The influence of the climate is shown to be depressing and hostile to economic development, that natural selection did not favor the man of energy. The little heavy work was largely done by women who were the chattels of men and valued accordingly. Witchcraft, sorcery, etc., with fantastic superstitions made up the religion in which morality as measured by our code, played little part. Deceitfulness was a prominent characteristic. Chastity rested on its market value and succession of goods was through the female. Slavery was universal and children were allowed to grow up free from any special restraint or training.

In Part II the conditions under slavery are discussed. Two forces at once come in operation: (1) The efforts of the owner to promote habits of industry and (2) the unconscious imitation of the whites. The question of race amalgamation is discussed in a tentative fashion and some of the results are mentioned. Mr. Tillinghast protests against the confounding of negroes with mulattoes in estimates of progress and shows that even under slavery the half-breeds were preferred for certain positions to the pure negroes. Slavery was a school, though in many ways the curriculum was incomplete. The question is, "Did slavery develop in the negro his indolence, carelessness,

<sup>22</sup> Joseph Alexander Tillinghast. Publications of the American Economic Association. New York: Macmillan, 1902.

cruelty to animals and aptness in deception, or did it merely fail to eradicate them as some better devised system might have done?" Mr. Tillinghast recognizes that there has been considerable development along many lines.

In Part III the negro is considered as a free citizen. Attention is called to the fact that the freedom of the negro was not self-attained as has been the case in most other nations of the world. Various causes are resulting in gradual segregation of the white and black. The free intermingling of two such distinct races is considered impossible. "All theories of abstract right, all generous hopes to the contrary must go down before this stubborn law of human affinities and repulsions." Although there has been economic progress the negro is not yet in a place of safety. The church has become the great social pivot, but religion and morality are still largely divorced.

Time, struggle and sacrifice have always hitherto been required to create a great race. If these are to be expected of the negro he must traverse a long road, not in safe isolation in a country all his own, but in a land filling fast with able, strenuous and rapidly progressing competitors. Under such circumstances his position can with difficulty be regarded as other than precarious to the last degree.

Our agreement with Mr. Tillinghast's conclusions is unimportant. He has brought within easy access a mass of material hitherto to be obtained only by reading many books. The style is rather heavy and there is a good deal of repetition, but otherwise the work is well done.<sup>23</sup>

PROFESSOR ZUEBLIN'S BOOK ON *American Municipal Progress*<sup>24</sup> gives a succinct account of the activities of the larger cities of the United States. In his method of treatment the author has made a step in advance by pointing out the relation of municipal service to the broader questions of social progress. Since Shaw's two works on *Municipal Government in England and Continental Europe* we have had no adequate discussion of the relation of the municipality to social welfare. Most books on the subject have laid emphasis on questions of governmental organization. It is refreshing to find the broad point of view which Professor Zueblin represents so clearly and consistently carried out in every chapter. This is particularly true in his treatment of public recreation, public works and sanitation. In these, as in the other chapters of the book, he shows a thorough and first-hand acquaintance with municipal conditions in this country. Without assuming the role of the reformer, the marshaling of facts is such as to leave a clear impression. There is probably no better method of arousing a real, living interest in local affairs than the presentation of facts in such a way as to show that municipal government is but one phase of a larger national problem to which the best energy of the country is now being directed. Professor Zueblin has done a public service in presenting in its true light the possibilities of our present municipal situation.<sup>25</sup>

<sup>23</sup> Contributed by Carl Kelsey.

<sup>24</sup> "American Municipal Progress; Chapters in Municipal Sociology." By Charles Zueblin. Pp. 373. Price, \$1.25. New York: Macmillan, 1902.

<sup>25</sup> Contributed by L. S. Rowe.



## REVIEWS

*Diplomatic History of the Southern Confederacy.* By JAMES MORTON CALLAHAN, Ph. D. Pp. 304. Price, \$1.50. Baltimore: The Johns Hopkins Press, 1901.

*American Diplomatic Questions.* By JOHN B. HENDERSON, JR. Pp. 529. Price, \$3.50. New York: The Macmillan Company, 1901.

*Foundations of American Foreign Policy.* By ALBERT BUSHNELL HART. Professor of History in Harvard University. Pp. 307. Price, \$1.50. New York: The Macmillan Company, 1901.

The Albert Shaw Lectures on American Diplomacy at Johns Hopkins University, delivered in 1901 by Dr. Callahan, have been embodied in a small volume entitled the "Diplomatic History of the Southern Confederacy." Various writers have heretofore covered parts of the diplomacy of the secession movement, but the pioneer task of carefully ransacking all the available literature: diaries, state papers, newspapers, correspondence, etc., remained for Dr. Callahan. The preface says that the book "attempts to give a careful and purely historical presentation of the theories, purposes, policies, diplomatic efforts and difficulties of the secessionists, as reflected from their official archives and other original records."

In the first chapter Dr. Callahan traces in an interesting manner the history of his documentary sources. The day the Confederates set fire to Richmond, Secretary of State Benjamin destroyed the Secret Service Papers. That evening trains carried from the city all the Confederate archives, including those of the State Department. Thus it happened that the Union forces captured at the Confederate capital only the refuse of its state papers. Still, a bureau of "Rebel Archives" was soon established in Washington to which from time to time important Confederate documents were added. The most important addition to the diplomatic records was the so-called "Pickett papers" which contained nearly all of the Confederate diplomatic correspondence and State Department archives. These papers, hidden in a barn after their transportation from Richmond, were later secretly stored in trunks and taken to Canada by Colonel Pickett, from whom they were bought for \$75,000 by the Grant administration. Dr. Callahan says that Secretary Benjamin desired to leave no historical material behind him and so abhorred any searching of his private papers that a short time before his death he destroyed all such manuscripts. The public and private correspondence of Mason, the Confederate agent to England, was completely preserved and is now in the possession of his daughter. To these papers the author was allowed access. Slidell, the Confederate agent to France, destroyed most of his private correspondence covering the period.

Dr. Callahan devotes a chapter to the general history of the organization of the Confederate government, its policies and finances; but one is disappointed not to find anywhere in his book a connected history of the Confederate State Department. Here it was that the foreign policies were formed and changed from time to time as the exigency of events seemed to demand.

A picture of this organ of the Confederate diplomacy during the four years' struggle could be made most interesting and valuable. Dr. Callahan quotes James L. Orr, the chairman of the Confederate House Committee on Foreign Relations, as saying that "the Confederacy never had any foreign policy nor did it ever attempt any high diplomacy," but the author says, "Whatever may be thought of this statement the failure of the Confederacy was certainly not due to any deficiency in the number of its agents abroad."

In a chapter entitled "The Confederate Foreign Policy," Dr. Callahan has apparently organized his material with reference to the geographical proximity of the places to which the Confederate agents were sent, regardless of whether the place was a national capital or a mere colony. The author's facts are grouped and presented in the following order: Commissions to Washington in 1861 and 1865; agents to Canada in 1864; agents to Mexico in 1861 and 1864; agents to Cuba, Nassau and Bermuda, and finally a general account of the diplomatic agents sent to Europe. The author shows that recognition or supplies or both were sought from England, France, Spain and Russia. One paragraph (p. 83) presents very concisely the Confederate foreign policy: "Mr. Davis and his followers at first expected to produce a cotton famine which would induce England and France to break the blockade and recognize the Confederacy. Later, they were willing to offer special commercial advantages to secure the same and proposed to give Napoleon a large amount (\$7,000,000 worth) of cotton for the loan of a squadron. They also favored French and Spanish designs in America and in order to obtain a treaty of alliance, intimated their readiness to guarantee the possessions of those powers. They made England and France a base for secret attempts to fit out vessels. They endeavored to disturb internal affairs and create complications which would serve the interests of the Confederacy. Finally, in a paroxysm of desperation, they proposed to secure emancipation for recognition, and in negotiations with London syndicates agreed to guarantee cotton for money to secure ships to break the blockade." Many were opposed to Mr. Davis' cotton famine policy and Dr. Callahan says (p. 89), "The shipment . . . of cotton to Liverpool during the first year of the war would have strengthened the Confederate chances of securing a navy, but there were probably insurmountable obstacles to this policy." The author concludes (p. 106), "The blockade by sea and by land was the principal cause of Confederate failure."

Another chapter, entitled "The Mission of Mason and Slidell," in a general way, embraces only their original instructions and the difficulties they encountered in reaching their destinations.

We are accustomed to think of the partiality of Great Britain toward the secessionists. The other side is strikingly shown by the many bitter protests of the Southerners against the indifference of the British. Some notion of "that" indifference may be gleaned from the following quotation from the *London Times* of January 11, 1862: "They (Mason and Slidell) are here for their own interests, and . . . rather disappointed perhaps that their detention has not provoked a new war. They must not suppose, because we have gone to the very verge of a great war that they are precious in

our eyes. We should have done just as much to rescue two of their own negroes. Let the Commissioners come up quietly to town and have their say with anybody who may have time to listen to them. For our part, we cannot see how anything they may have to tell can turn the scale of British duty and deliberation."

About a year later there was a general feeling among the Confederate leaders that the various agents sent to secure foreign recognition and intervention had failed and that the Davis government should recall all its foreign commissioners, but this was never done. Davis, Benjamin, Mason and the others conducting the foreign affairs hoped for help from abroad until the very last. Especially did they rely for some assistance upon Napoleon III., who, it seems, was desirous enough to recognize the South but hardly dared to do so without the co-operation of England. In October, 1862, Napoleon intimated to Slidell that the Confederacy might build ships in France. Orders were given and when later Napoleon, because of the vigorous American protests, prevented the ships from sailing, the Confederate authorities considered that they had been "duped" by Napoleon. Dr. Callahan says, "Perhaps Napoleon had expected Confederate victory, or contemplated an alliance which would give him an opportunity to allow the vessels to go, but he finally found it necessary to discountenance any arrangement which would offend the United States."

Dr. Callahan has collected a mass of interesting facts upon an interesting subject, but has not properly digested the facts—they seem at times thrown together in vague connection. His categories of organization are imperfectly worked out and there is a frequent repetition of the same events in the same language. In short, the book has been too hastily put together to do justice to the author's exhaustive research. Dr. Callahan has refrained throughout from unnecessarily injecting his own ideas into the historical record, and where called upon, has given a fairly unprejudiced interpretation of the facts.

Mr. Henderson, in a volume of more than five hundred pages, has written on five topics of American diplomacy. The first essay deals with "The Fur Seals and the Bering Sea Award." After remarking upon Russia's claim to exclusive jurisdiction over portions of the Bering Sea and the protests of the American and English governments in consequence thereof, Mr. Henderson takes up the history of Alaska from the time of its cession to the United States under a treaty whose "terse description" of the western boundary, the author believes, gave rise to the "confusing implication that Russia intended . . . to convey to the United States not only all the islands . . . but, in deed, the actual sea itself, with full and exclusive dominion over the same." Mr. Henderson then notes that the law of Congress, framed for the government of Alaska, "did not clearly signify the extent to which the United States claimed jurisdiction in Bering Sea, but simply enacted that the 'laws of the United States . . . are extended to and over all mainland, islands and waters of the territory ceded to the United States by the Emperor of Russia . . .,' and that 'no person shall kill any . . . fur-bearing animals within the limits of Alaska territory or in the waters thereof . . .'"

Mr. Henderson goes on to show the rapid development of the seal industry, the growth of pelagic sealing, the problem of the United States to put a stop to this ruinous practice of seal hunting, and says, "the temptation" to assert "a claim of *mare clausum* was great." He notes how Mr. French, Acting Secretary of the Treasury (1881), succumbed, as it were, to this interpretation of "the waters thereof" and thereby reversed the previous position assumed by Secretary Boutwell; how the Cleveland and Harrison administrations seized and condemned several British vessels engaged in pelagic sealing; how in the face of British protests the State Department tried to establish the legality of the American position and how the matter was submitted to arbitration. Mr. Henderson writes, "Although it has been expressly disavowed by Mr. Blaine that the United States put forth any claim to *mare clausum* over the Bering Sea, it is nevertheless impossible to consider the American position before the Arbitration Tribunal in Paris as otherwise than an attempt to justify such a contention. . . . It is to be regretted that in this matter the United States should have appeared before . . . the civilized world in the unfortunate light of taking a step backward in order to resuscitate . . . a defunct mediæval doctrine." The author closes his entertaining essay with the observation that "there is no legal remedy" against the pelagic sealing and that "the chances are strongly in favor of a total destruction of the herd within a few years, unless some immediate understanding can be had with Great Britain to check the onslaught."

In an account of "The Interoceanic Canal Problem," Mr. Henderson has drawn out in detail the history of the various attempts of private corporations to build an Isthmian canal. Concerning the now abrogated Clayton-Bulwer treaty, he says, "Had Mr. Clayton been less actuated by fear, he might have utilized for his own benefit those very threats of war which terrorized him into concluding a bad bargain." Of Sir Henry Bulwer's diplomatic tactics he remarks, "The method . . . cannot be characterized as dishonest. It was 'clever' in so far as he outwitted his antagonist by playing upon his fears and profiting by his errors in judgment." After an unprejudiced inquiry into the arguments for and against a neutralized canal, the author gives it as his opinion that not only the present treaty obligations demand, but self-interest, pure and simple, will be better subserved by a neutralized interoceanic canal.

In the essay on the United States and Samoa, Mr. Henderson writes, "Samoa was like a teapot in which a tempest raged while three great nations jostled each other in fussy endeavors to keep the little pot from boiling over;" but he goes on to say, "If the Samoan episode appears trivial to the general observer, it possessed, nevertheless, a pathetic side to the philanthropist, who could not fail to see in this South Sea enterprise of England, Germany and the United States, another demonstration of the withering influence of civilization upon semi-barbarous peoples."

Mr. Henderson considers that the chief interest in the Samoan matter lies in the fact that "it reveals the first genuine instance of departure (by the United States) from a time-honored policy of non-intervention in the domestic

affairs of alien nations." By the Treaty of Berlin in June, 1889, which provided an elaborate system of government for Samoa, "the United States stood pledged, for the first time in its history, to share the responsibilities of good government in another nation and to assume, in a measure, the rôle of protector. . . . The responsibilities . . . brought only vexatious cares, expense, the loss of several naval vessels, the sacrifice of many lives and several times threatened to involve the country in war." The author does not believe the final acquisition by the treaty of 1900 of Tutuila and its valuable harbor of Pago-Pago can be ascribed to the Berlin treaty, since American rights in the harbor antedated the treaty and were merely held in abeyance so long as the triple dominion existed.

Mr. Henderson's essay on the Monroe Doctrine shows a good understanding of international law and our diplomatic history. He considers the "doctrine" in law to be merely a measure of self-defence whose justification in every instance must rest on the ground of self-preservation. He traces the history in the well-known manner in which it has several times appeared and concludes that "to consign the Monroe Doctrine to its appropriate place of political significance in American history is by no means to deprive the American people of self-protection. It is only to rid the mind of a disturbing factor in the determination of foreign questions—to leave the judgment free to measure danger by the exigencies of the present, and not the remembrance of the fears which are of the past."

In the last topic discussed Mr. Henderson deals with the Northeast Coast Fisheries which, he says, is a "diplomatic problem that has involved a host of legal questions." He is too good a lawyer to see any sound legal basis for the American claim to a *right* to fish in British waters. He closes his article by observing that, "changing conditions in the methods of fishing have operated more largely in the last ten years to do away with the troublesome 'fishery question' than have a century of diplomatic skirmishes."

Mr. Henderson has an entertaining style and, though at times, it may seem somewhat rhetorical yet, in general, it is interesting. Facts and principles are stated without any savor of the jingo historian, and still Mr. Henderson is always thoroughly patriotic. Mistakes and faults are sympathetically discussed regardless of who committed them.

In as much as the book contains little that has not already been written in some form and is entirely without citation of authority, it is probably intended for the general reader. But even for that purpose it is quite unintelligible that it should be without an index. There are several slight errors in expression and fact. Thus on page 482 and following he gives credence to the "Marbois letter" and the much discussed question of "French intrigue and treachery"; on page 314 he has Canning succeed Castlereagh as Prime Minister; on page 37 he fails to distinguish between the false translation of a Russian document and the falsity of the document itself and on page 366 he speaks of "Henry Irving (as) the American Representative in Spain" in 1843; nor is it correct to say (p. 447) that "in the course of three-quarters of a century," "whenever a threat, real or fancied, has come in the shape of aggression in the Western Hemisphere, the United States Government has asserted



its right . . . of self-protection, but called [it] instead the Monroe Doctrine. The phrase 'Monroe Doctrine' has been preferred." As the author himself has pointed out elsewhere the "phrase 'Monroe Doctrine'" was rarely, if ever, officially used previous to President Cleveland's ultimatum to Great Britain.

"Foundations of American Foreign Policy" seems a rather large name for a little book which contains few facts that have not already appeared, analyzed in a profounder and more suggestive way. The volume is merely a bunch of magazine articles caught together under a misleading title, though in justice to the author, the preface says that, "the book does not attempt to present a sketch of the diplomatic history of the United States, nor even to describe all the foundations which underlie the conscious or unconscious policy of the government toward other countries."

Mr. Hart everywhere insists upon the two theses, that "the United States has from its birth been in both hemispheres a true world power" and that the "idea of national colonies is as old as the republic." That both contentions are in a sense true no one would deny, but Mr. Hart contends for more; though occasionally he seems to make a slip, as it were, and acknowledges that recent events have introduced fundamental changes, e. g., when he writes that "up to the Spanish War, Brother Jonathan never looked in the face the prospect of a Union in which there should be permanent colonies."

To prove that the United States has always been a world power, Mr. Hart exaggerates the diplomatic importance of our early history and perhaps belittles the significance of later events. Thus, "our envoys, Franklin, John Adams and Jay . . . sat almost as arbiters in what was virtually a European Congress." He even misstates the facts when he writes, "We do not appreciate the reputation which was made by the preliminaries of peace in 1782. The first effect . . . was the desire of European powers to make treaties. . . . Holland came first." The preliminary articles were signed November, 1782, whereas the treaty with Holland was made the preceding month. In further emphasis of the effect of the preliminary treaty of 1782, he says, "The climax was reached when John Adams . . . was received by George the Third" and then he repeats Adams' pompous words. The reviewer is unable to see the logic of the author's "climax." To prove his point Mr. Hart labors on, observing that: "the war of 1812 really showed the right of the United States to the name of world power"; and that "the Peace of Ghent was a public acknowledgment that the country had come to its majority at last."

Mr. Hart is not an advocate of the Monroe Doctrine. He traces hastily the four most important of "the many senses in which this perhaps over-worked phrase has been used," then outlines the changes that have transpired at home and abroad, and concludes by saying "some clear and definite bases may be laid down for any permanent policy in Pan-American affairs." Mr. Hart then suggests seven principles "upon which the 'doctrine of permanent interest' must proceed." President Monroe, who is described as having a "somewhat sluggish mind" is given no credit for the authorship or form of his "doctrine."

The last article, entitled "A Brief Bibliography of American Diplomacy," "is a convenient list of the more accessible books" in which one is a little surprised not to find mentioned the Secret Journals of the Continental Congress or the United Revised Statutes or Statutes at Large. Except for this chapter, the entire absence of footnotes or references of any kind to authorities will render the book of little value to students. The few errors of fact noted are, doubtless, due to Mr. Hart's broad generalizations and his eagerness to maintain his own interpretation of our history. It is, of course, clearly wrong to say Hawaii was acquired by treaty or that the territory of the Maine boundary dispute was "divided nearly on the line of the rejected" award of the King of the Netherlands.

GEORGE WINFIELD SCOTT.

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*Primitive Semitic Religion To-day.* By SAMUEL IVES CURTISS. Pp. 277. Price, \$2.00. Chicago: Fleming H. Revell Company, 1902.

Professor Curtiss' book is a collection of customs prevailing chiefly among Moslems, but to a certain extent also among Christians and Jews, illustrative of the survivals of ancient religious rites and of the beliefs on which the rites are based. The nineteen chapters of the book cover such a variety of topics as conceptions of God, local deities, sacred personages, high places, shrines, vows, festivals, sacrifices, and the use of blood, and Professor Curtiss is to be commended for the diligence displayed in gathering such interesting material during his three journeys through Syria and Palestine, 1898-1901. Not all of the material is new, for numerous other travelers have been struck by the same peculiar customs which aroused Professor Curtiss' attention, but his illustrations are far more numerous than are to be met with in other accounts of Palestinian travels and he has arranged his material in an orderly manner. The treatment of the material, however, leaves much to be desired. Despite the fact that the author, as he himself tells us, has been a Professor of Old Testament Literature in a western institution for twenty years, the thought does not appear to have occurred to him until he entered Palestine, that the centres of ancient culture necessarily show traces of the past in popular customs and that these traces persist, despite the most radical political and religious changes that a country undergoes. Apparently Professor Curtiss did not make the acquaintance of such investigators of religious rites as the late Robertson Smith, J. G. Frazer, H. C. Trumbull, F. B. Jevons—to mention only the most prominent names—until after he had been struck by the abundance of "survivals" in Syria and Palestine, and what is still more strange, the travels of Doughty and Burckhardt and the works of Clermont-Ganneau, Conder and others were likewise unknown to him until a short time ago. Otherwise, he could hardly have conceived the strange delusion which one encounters on the first page of this book, and to which the author constantly reverts that he has made "remarkable," "wonderful" and "startling" discoveries. The frequency with which these adjectives are strewn through the book constitutes its most serious defect,

and there is something very *naïve* in the manner in which the author, after announcing one of his "wonderful" discoveries, adds a quotation from Doughty or Clermont-Ganneau or Palmer, or a reference to Trumbull or Frazer, which shows that the "discovery" had been made by others long before. There is, in fact, not a single new point brought out in the book, the value of which consists wholly in the additional illustrations that Professor Curtiss has furnished of "survivals" covering a wide range of religious rites and customs that have been a commonplace of oriental archæology for the last twenty years. When, as occasionally happens, the author ventures beyond the mere gathering of material to the interpretation of it, he soon gets beyond his depth and reveals the crudity of his archæological attainments. So in the chapter on "Modern Semites" he enters upon generalizations about Semites which utterly fail to take into account the mixed character of the population of Syria and Palestine, and again, in treating of conceptions of God among the modern inhabitants of these countries, Professor Curtiss draws conclusions from a few isolated instances which are wide of the mark, while in the chapter on "The Moral Relation of Man to God" he endeavors to foist upon the modern Semites a conception of sin, that so far from being a characteristic of any particular race, is common to all people occupying a certain level of culture. It is evident from the manner in which the author quotes from the Koran that he has never read it in the original, and yet with a second-hand acquaintance of Islam he does not hesitate to pronounce a verdict, on one of the great religions of the world, that might have been excusable one hundred years ago, but is simply preposterous when uttered by a modern scholar.

Under these circumstances it is a pity that the author should not have confined himself to what he has shown himself so well capable of doing—collecting illustrations of "survivals." We must not close the notice without calling attention to the valuable appendix added by Dr. W. Hayes Ward on "Altars and Sacrifices in the Primitive Art of Babylonia" (pp. 266-277), which is a genuine contribution to the subject, of prime importance. Dr. Ward furnishes nineteen illustrations of sacrifices depicted on cylinders and other monuments of ancient Mesopotamia. His account of the various forms of altars, of the deities represented and of the kinds of sacrifices offered is most illuminative and induces one to express the hope that we may soon have a comprehensive work on the Babylonian cylinders from Dr. Ward, who for many years has made a special study of this important and interesting subject.

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MORRIS JASTROW, JR.

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*Nominating Systems: Direct Primaries versus Conventions in the United States.* By ERNST C. MEYER. Pp. 501. Price, \$1.50. Published by the Author. Madison, Wisconsin, 1902.

This volume is divided into four parts and thirty-six chapters. In Part I is traced the evolution of the caucus and convention system from its origin to the present stage of development. Part II deals with direct primary legis-

lation in the United States and is meant to open up sources of study for the practical members of a legislature who seek primary reform. In Part III, the author discusses the advantages and disadvantages of the direct-vote principle as shown by an extensive and varied experience. Specific facts are given and many references are made from American books, magazines, newspapers and addresses, "in order to ascertain whether or no the results of direct primaries have been sufficiently favorable to justify the plea for an extension of their principle, and for the adoption of some plan upon a wider scale for further experimentation. This will be the most useful portion of the volume for the student as well as the practical legislator.

Part IV contains a discussion of the forces of reform operating in the field of politics at the present day, and is written for the purpose of reaching some conclusion as to what should be done in order to bring about primary reform. There is certain to be a great waste of energy in all parts of our country before the realization of all reformatory efforts, that is legislation for good government.

The system of nominations has a more direct influence upon the welfare of the citizen than any other phase or branch of our government. It touches him daily, if not hourly. In the rural districts the sheriff and the selectman are as important as the mayor and comptroller of a great city, or the governor of a State or the congressman.

In States, cities, counties, towns and villages where a nomination is equivalent to an election, the voter should do his utmost to prevent corruption, trickery or intimidation at the caucus and the convention. The ship of State is steered by the primary; and it is not too much to say that the cradle of liberty rests on the ballot box.

The author traces the history of primary election laws in the United States beginning with California in 1866.

Pennsylvania (with local acts) and Kentucky have long had laws for direct primaries. Of late years Massachusetts and several Western States have adopted such laws, some being optional and some compulsory. In 1898 the New York legislature enacted a measure for official primaries at the public expense; and this act, which has subsequently been amended, is described at great length by Mr. Meyer. The author thinks the Minnesota Direct Primary Act of 1899 the best law on the statute books, and refers to the great interest in this subject during 1901, the legislatures of nineteen States having had direct primary bills under consideration. At present a large majority of citizens think they have done their duty to the State if they vote at a general election. If direct primaries were universal, a larger number of electors would certainly take part in them.

Mr. Meyer discusses the college man's apathy towards primary elections on account of the vast amount of time required to manage them, especially when a few reformers attempt to prevent the nomination of a disreputable candidate by the "machine." The American college graduate has a duty to perform to the State and if he cannot afford to neglect his profession or business to hold public office, he should at least attend the primary every year. There is a very interesting chapter on "Who Shall Vote at the Primary."

Minority nominations, the "machine" and the corporation, the city and county voter, and candidates, *under direct primaries*, are fully discussed. Some decisions are cited where primary election laws have been declared unconstitutional. The volume closes with a consideration of the direct primary in its relation to other reforms.

Those who seek better government should learn that all reform is a matter of gradual growth. Half a loaf is better than no bread, and a half-way measure is better than no change in the law, because a political party in power will rarely pass a stringent law to injure those in office. Although the original act was several times amended, it took seven years in New York to get the genuine Australian ballot law, while in Massachusetts, where an educational qualification for voters prevails, ballot reform was obtained in 1888—the first year that this measure came before the legislature! The author well says (p. 428): "A few fanatical reformers who stand wringing their hands, and crying out into the world to help make straight the way, cannot accomplish much."

*Festina lente* must be the motto of those who propose legislative reforms; otherwise the result might be no legislation, and a worthy cause may languish for a term of years. Primary reform is much more important in the large cities, than in the rural districts. A special chapter is, therefore, devoted to "Municipal Government Under Direct Primaries." In the appendix is the full text of the Stevens' Direct Primary Election Bill of Wisconsin, which failed to pass the legislature at the session of 1901. This measure might be introduced in all legislatures by the advocates of the direct primary, and if it cannot pass in the original form in States which have no primary law, a beginning would at least be made until public sentiment is strong enough to force the enactment of such an advanced reform, as the direct primary.

Mr. Meyer's work seems to be the best book to date on the subject of direct nominations.

A. R. CONKLING.

*New York City.*

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*Tribal Custom in Anglo-Saxon Law*: being an Essay Supplemental to (1) The English Village Community, (2) The Tribal System in Wales. By FREDERICK SEEBOHM, LL. D., F. S. A. Pp. 538. London and New York: Longmans, Green & Co., 1902.

A somewhat portentous standard is being set for English historical "essays," when such works as the one under review or Professor Maitland's "Three Essays on Domesday Book and Beyond," Professor Vinogradoff's "Essays on Feudalism in England," and Professor Seeley's "The Growth of English Policy: an Historical Essay," are so described. A solid volume of more than five hundred pages, the result of personal investigation of the sources and of much search in recondite secondary works on special points, illuminated by the development of original theories, and resulting in the solution of old and difficult problems, is an "essay" which may well prevent young historians from putting out hasty, exiguous or insignificant work.



Mr. Seebohm in this, as in the two other works with which this forms a trilogy, approaches his main subject as a besieging army approaches a well-fortified city. He draws trenches and lines in the form of studies in ancient and mediæval currency, Beowulf, wergelds and tribal organization of the Welsh, Irish, Scandinavians, Franks and other continental tribes. Not the least point of value of the work is its summary of his previous volume on the "Tribal System of Wales." It is not always that one can obtain from the hand of the master himself a restatement in brief form of the results of a valuable but long, difficult and somewhat elusive investigation. It would have been a pleasant necessity, to Seebohm's readers at least, if the plan of this work had required a similar summary of the "English Village Community," with the revisions that its author would have introduced in response to the close criticism it has undergone. But there are only allusions to it. As a second process, he makes breaches in the defences of his subject by attacks upon it in successive chapters on Anglo-Saxon custom from the Norman, the Danish, and the Viking point of view. The last third of the book is then devoted to a direct assault in the form of an investigation of the Anglo-Saxon codes and of the tribal customs described by them as compared with the Celtic, Scandinavian and Continental evidence which has been previously accumulated and interpreted.

A number of surprising results emerge from this discussion. One of these is the striking uniformity of wergelds or compensations for murder, through all western Europe. One hundred cattle or their equivalent in some form of currency or other articles of value is the almost universal valuation of the life of the full tribesman. Again, the estimate of the value of these cattle in money comes back time and again to that of the eastern *mina* or one hundred gold staters of Greek and Oriental usage, however it may be expressed in coins or units peculiar to the various races of western Europe. The wide influence of the coinage of Constantine, which was based on that of the east, exerted both directly and indirectly through its imitation by Charlemagne, and the contest of these units with others of more ancient Roman-Italian origin from a further result of the comparative study of wergelds which will certainly be unexpected to most students.

The more specific results as connected with English history may be suggested, though they are none too diffuse in Mr. Seebohm's own statement of them and can ill afford to be condensed. The Teutonic settlers as they came into England were still organized under the tribal system or at least dominated by the ideas which belonged to tribal organization. The classes into which men were divided for long centuries afterward were defined to a very large degree by those tribal conceptions; although antagonistic influences existed in the form of territorial lordship surviving from Roman times, national kingship growing up from the conditions of the conquest, and the individualistic ideals of the Christian Church.

The great division of classes was into eorlish, *gesithcund*, landed, or *twelve-hynde*, and ceorlish, tenant or *twy-hynde*. The former were the full tribesmen, with other fellow-tribesmen to join in their oaths of compurgation, help pay their murder-fines and receive their wergeld, if they were murdered.

They were, besides, entrusted with certain semi-official powers or duties by the king, and they held, either as heads of a tribe, as officials, or as independent possessors, land or the superior rights over land. The ceorl, on the other hand, was normally not a full member of the tribe, and, therefore, had only one-sixth the wergeld of the gesithcund man. Mr. Seebohm still believes, as indicated in the "English Village Community," that the ceorl was never free in any full sense of the term. The fact that he was by Alfred's time usually a rent-paying tenant, not a landowner, does not indicate a degradation, because he had never been anything else.

An interesting suggestion—it might almost be called a demonstration—is that the puzzling *six-hynde* man of the codes is the native Roman, Roman-Briton, or Welsh inhabitant, of free position, but, as was also the case among the Franks, honored with only half a full wergeld, because of belonging to the conquered race.

Many of Mr. Seebohm's contentions will be disputed, but many of them will certainly hold firm. He has without any manner of doubt introduced a broader, saner, and more fruitful method of studying the few written records that have come down to us from our Anglo-Saxon forefathers

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## NOTES

### I. MUNICIPAL GOVERNMENT

**Chicago.**—*Financial Situation.*<sup>1</sup>—The evils arising from deficient revenues in Chicago for city purposes are neither few nor small; and the mayor's message recently published does not exaggerate them. The reasons for such deficiency demand attention.

There has long existed a profound lack of confidence in the tax appropriating and tax disbursing agencies of the city government. The laws have fixed limits which the city council is forbidden to pass in appropriations and incurring indebtedness. These limits seemed reasonable, being 2 per cent per annum of the taxable property for appropriations and 5 per cent for indebtedness, under laws which provided for the assessment of all property at its full value. When public parks became imperative it was thought safer to place them in some other hands than those of the city council. Park districts were formed constituting quasi-municipalities with separate taxing powers. The public schools were not deemed safe in care of the council, and separate annual taxation not exceeding 2 per cent for educational and 3 per cent for building purposes was authorized to be determined by the school authorities.

The panic of 1873 came on the heels of an inflated and speculative value of real estate, on which the burden of taxation mainly falls and caused a marked diminution in both income and value. Taking state, county and town taxes, in addition to those above named and the total rate authorized to be levied, and which each taxing body showed a disposition to levy, was appalling. Relief from an intolerable condition was sought by decreasing the valuations of property, especially real estate, in the tax assessments; while personal property escaped altogether. Assessors were found to disregard their official oaths to assess all property at its fair cash value, and none who would not do so could be elected. Decreased assessments cut down the possible taxes which could be raised until the limit of revenue did not more than barely suffice for actual necessities. When added taxes were required, a new municipality was created. The resort to old but bad devices intensified the difficulties of the situation which constantly tended to grow worse. No one knew what the basis of valuation for taxation was. It varied from about one-half to not more than one-twentieth of the actual value of property included in the same assessment as the whim, ignorance or corruption of the assessor might dictate.

The assessment of 1899 was made under a new revenue law which had been framed in the hope that provisions might be made for an honest return of property by the owners. This involved the fixing of a lower limit for total taxation. This limit the Supreme Court held to be invalid, in the form adopted. The board of review cut off enough from the values returned to

<sup>1</sup> Communication of Newton A. Partridge, Esq., Chicago, Ill.



prevent any radical increase in returns from taxation that year. It is of this decrease the mayor complains. The present revenue law will provide some increase in the city revenues at once, and as time goes on the improvement will continue, because, on the whole, property owners are willing to pay a fair rate of taxes for public purposes when they can do so by paying at the same rate as others and without exposing themselves to confiscation. The fault is not in the revenue law, but in the multiplication of independent municipalities acting in the same territory without regard to the effect of their action upon the city.

The total revenue for municipal purposes is much larger than would appear from city figures, alone, although the message [page 18], shows a revenue of \$26,867,739 exclusive of borrowed money. The various municipal corporations constituting the city of Chicago taken together have quite a respectable municipal debt aggregating nearly \$50,000,000 instead of the \$10,970,000 spoken of in the message. Most of the total rate of taxation is applied to municipal purposes. Note should be made that many expensive improvements such as paving and repaving streets, laying and relaying sidewalks, etc., are not paid for by the city out of its revenues, but by special assessment on the property benefited.

This short statement is not meant to show that the recommendations in the mayor's message in regard to a simpler city charter and consolidated powers are mistaken, for I deem them wise and in harmony with the best standards. I have only sought to point out how matters worked together under the old law to foster corruption in the assessor's offices at the same time the city revenues were cut down and also to defend the present revenue law against the idea that the deficit in the city treasury is properly chargeable to it.

**Boston.**—*Metropolitan Administration.*<sup>2</sup>—One of the most distinctive features of municipal-government developed in Boston—or, more strictly speaking, Greater Boston—is the tendency toward metropolitan administration. With the expansion of New York this tendency expressed itself in the division of the enlarged municipality into four great boroughs, each with its own administration for more specifically local purposes. London, in a somewhat similar way, has replaced the ancient parochial divisions with a large group of newly erected boroughs. In metropolitan Boston there has been developed a system of administering certain general functions in behalf of the collective communities by commissions created by legislative authority and appointed by the governor of the commonwealth. To meet the cost of these several undertakings the state advances its credit, issuing loans in payment for the work, to be reimbursed through the apportionment of the charges for interest and sinking fund among the various municipalities to be repaid from their annual tax levies according to a ratio, changed every five years through the period of the loans and established by a commission appointed for the purpose from time to time by the Supreme Court. The maintenance charges are met from the same apportionment, and are estimated each year by the administra-

<sup>2</sup> Communication of Sylvester Baxter Esq., Boston, Mass.

tive commissions in charge. The metropolitan districts thus constituted are not co-terminous and the metropolitan community thus organized has no official name, but is generally known as "Greater Boston."

*Drainage System.* The first function thus undertaken was that of the metropolitan sewerage system. Then followed the metropolitan park system, and lastly the great metropolitan water system. Until lately there have been three commissions for the three separate functions. But a year ago, the sewerage system being so nearly completed that the matter of administration had become largely one of routine, that department was consolidated with the metropolitan water-works and placed under a newly constituted commission. In the various municipalities the local water-boards and the local departments in charge of the sewers are retained. These care for the local distribution of water delivered to the municipalities from the great metropolitan supplies, and for the local collection of sewage for delivery to the great trunk sewers which discharge into the sea. The local sewers and water-pipes are therefore owned by the municipalities themselves. All the important local sources of water supply were taken over by the metropolitan government, including the costly plant created by Boston, with its enormous storage and distributing reservoirs.

*Parks.* The metropolitan park system includes great woodland reservations, extensive river frontages and many miles of seashore, beside an elaborate system of connecting parkways—forming, with the several local systems, the most comprehensive, scientifically considered and artistically designed scheme of public parks and pleasure ways in the world.

The administration of the Boston Department of Public Grounds has been a subject of severe criticism for the past year. When the construction of a large system of public parks was undertaken in 1896, the administration of Boston Common, the public garden and the minor public squares through the city, together with the shade trees in the streets, was not taken over by the Metropolitan Park Commission then constituted, mainly in order not to burden the park department with routine maintenance work which might hamper their operations while engaged in constructive undertakings of great magnitude. Unfortunately these conditions have ever since prevailed, presenting the anomalous circumstances of two distinct municipal departments engaged in the same line of work. Very naturally the result is not economical. There is yet no distinctive movement for the further extension of this metropolitan principle, but the need of its application is beginning to be seriously felt in various ways, particularly in the matter of metropolitan transit and a metropolitan administration of police. A metropolitan system of highways for main lines of traffic is also highly desirable.

*Rapid Transit.* In transit matters the principle of municipal ownership of subways appears to be definitely established as a public policy. The Boston Elevated Railway Company desired to construct and own the proposed new Washington street subway, but the legislation sought for was energetically resisted by public sentiment, and a bill enacted was vetoed by Governor Crane at the session of 1901 as not sufficiently safeguarding public interest. This year a law was passed providing for the con-

struction of the new subway by the existing Rapid Transit Commission, and its ownership by the municipality, under terms similar to that contained in the original subway legislation. It was provided that it should be subject to a referendum at the municipal election in December of this year (1902), before taking effect, whereupon the Transit Commission was straightway to begin the work. The local transit question is so largely of metropolitan concern that it is important that the matter should be made a metropolitan function. But at present the Transit Commission, appointed by the governor of the commonwealth, has simply to do with the city of Boston. And very curiously, by the referendum accepting the original subway and other rapid-transit legislation, it was determined by the voters of Boston that an elevated railway system should extend into the adjacent city of Cambridge without any expression of opinion by the citizens of that municipality.

The problem of municipal participation in the receipts of street railways in return for the privilege of occupying the public highways is dealt with for Boston and the other metropolitan municipalities by a special franchise tax by which a certain percentage of the market value of the street railway stock is paid to the state and then distributed among the several municipalities respectively, in proportion to the amount of track mileage in their streets. It is claimed that in this way the Greater Boston municipalities receive a larger return in payment for street railway privileges than any other in the world.

**San Francisco.**<sup>3</sup>—*State Board of Control.*—The amendment to the state constitution of California, proposed by the last legislature, as described in the November number of *THE ANNALS*, was voted upon at the election held in November, and overwhelmingly defeated. The discussion of the provisions of this remarkable amendment for creating a state board to control everything pertaining to rates and regulation of public service corporations of the state and the municipalities, was general and vigorous throughout the state. The enormous majority against it is as creditable to awakened public opinion as the proposal of it by the legislature was discreditable.

**Providence.**—*Telephone Franchise.*—Previous to 1892 the Providence Telephone Company had the right to string wires in certain streets of the city. By ordinance approved December 6, 1892, it was given the right—not exclusive—to place conduits in such streets as the city council might designate. It must keep the portions of such streets dug up in repair for twelve months. Fire and police department wires of the city may be placed in the conduits without charge. The council has apparently absolute power to order removal or change of subways on ninety days' notice. From 1892 to 1899 the company paid a tax of 1½ per cent on its gross income from rental of telephones. Since 1899 the rate has been 3 per cent. In 1893 the tax amounted to \$2,325; in 1899 to \$3,264. For the year ending June 30, 1902, it was \$8,775. The company must lease conduit space in the closely built up sections to telegraph and signal companies when so required by the city. In case a competing company is authorized to carry on business in the city, and

<sup>3</sup> Communication of Professor Kendric Charles Babcock, University of California.

<sup>4</sup> Communication of Sidney A. Sherman, Ph. D., Providence, R. I.

occupies the old company's manholes, the tax of 3 per cent is to cease. Telephone rates are fairly satisfactory, being from \$70.00 upwards for unlimited full service, and \$42.00 upwards for unlimited local service. There is also a minimum rate of \$25.00 for residence telephones, 500 local calls, and of \$39.00 for 600 full service calls.

*Gas Franchise.*—By agreement of August 8, 1892, under authority of Chapter 975, Public Laws of Rhode Island, the city gave the Providence Gas Company the exclusive right for twenty years to lay pipes in the streets of the city for heating and illuminating gas. The company is to lay mains in new streets, etc., on ninety days' notice, and is to keep those streets in repair for six months afterwards. It is bound to maintain the quality of its gas at as high a standard as when the contract was made. Curiously, there is no provision for testing the gas by the city, and no city official seems to know of any test ever being made. The company pays a tax of 3 per cent on its gross earnings, which amounted to \$15,739 in 1893, and to \$22,794 in 1902. After paying this tax and 8 per cent dividends on its paid-in capital, plus a reasonable and prudent provision for maintenance and extension of plant and carrying on its business, it must apply the balance of net earnings, if any exists, to reducing the price of gas. The 8 per cent is regularly paid, and reductions have been made in price from \$1.30 to \$1.20 in 1894, and from \$1.20 to \$1.10 in 1896.

*Electric Lighting.*—Under authority of an "Act concerning the Narragansett Electric Lighting Company," passed by the General Assembly in January, 1892, giving it an exclusive franchise for twenty years from July 1, 1892, the city made a contract with the company by which it was to furnish the city 2,000-candle-power lamps with 10 ampères of current under an E. M. F. of forty-five volts each. The lights were to burn all night and every night, and those which by accident or special agreement burned only a part of the night were to be charged in proportion. If the cost of light should be cheapened by any new invention, the price was to be lowered accordingly. On the other hand, if the city ordered the wire placed underground, the interest on the cost was to be added to the price. By the legislative act, "the rate to be charged . . . shall be determined, if possible, by agreement of the parties at least three months before the expiration of the existing contract, for the succeeding period of three years," and thereafter in like manner. Failing agreement, the rate for these three-year periods was to be fixed by arbitration. August 7, 1893, the price was fixed by arbitrators at thirty-eight and one-half cents per night for each of 1,300 lights, for the term of sundry unexpired contracts, and for the three-year period beginning June 15, 1904. March 8, 1895, the council, disregarding the express provision of the law, contracted for an additional period of five years, to June 15, 1902, at the rate of thirty-five cents, the number of lights being increased to 1,800. This contract was a very one-sided one, giving the company \$228,000 a year, which was a pure *bonus* of at least \$75,000 a year. Having been severely criticised in public by the writer, and there being an almost successful attempt to establish a municipal plant, it was superseded July 5, 1898, by another contract for two three-year periods, 1900-03, and 1903-06. While the law

contemplated contracts only three years ahead, we find them made eight years ahead. By this agreement, the wires were to be placed underground in the close district, the tax on gross receipts was increased to 5 per cent, and a sliding scale of prices fixed,—35 cents to 1900, then 32½ cents to 1903, and 30 cents to 1906. May 12, 1900, a contract was made for 1,850 incandescent lamps to 1906, at \$24.00 per year. This brings the total payment by the city to the company up to about \$280,000 per year. In the legislative act it is provided that the city may establish a municipal plant, *for public purposes only*, on a majority vote of all those elected to each branch of the council, not less than four months before any annual election, and its ratification by a majority of the property voters (we do not have manhood suffrage in Rhode Island cities) at that election. Failure bars another attempt for three years. When we get manhood suffrage we shall have a municipal plant, not before.

**Duluth.**—*Conference Committee.*<sup>5</sup>—Duluth's new city charter, adopted in 1900, contains an excellent provision for a so-called "Conference Committee," which exercises supervision over the annual budget and the expenditures of the city from month to month. The members consult and advise together relative to the care, supervision and economical management of the affairs, duties and expenses of the several departments of the city government.

This Conference Committee is composed *ex officio* of the mayor, president of the common council, city comptroller, city treasurer, city engineer and the presidents of the several executive boards of the city; the city clerk is *ex officio* the clerk of the committee, and the city attorney is required to attend its meetings and extend his aid to the committee in its conferences and investigations. The committee meets monthly on a day designated in the charter and it is made the duty of each member, at each such meeting, to report to the committee in detail, in writing and under oath, relative to the work, condition, funds and expenditures of his department. These meetings are held in the council chamber of the city, and, together with the records and proceedings of the committee, are open to the public. Attendance upon the meetings is mandatory; the requirement as to the monthly reports referred to is likewise imperative.

At the September meeting of each year the Conference Committee, having in the month of August just preceding, been furnished by the city comptroller with an itemized estimate of the expenses of the city for the ensuing fiscal year and likewise the revenue necessary to be raised for such year, proceeds to make out and designate by resolution an itemized statement showing the amount of money, which, in its opinion, will be needed for the use of each department of the city during the succeeding year. This statement is reported to the common council not later than the twentieth of the same month for its guidance in the tax levy and marks the maximum limit of such levy.

The estimate, statement and levy described are, under charter provision all prepared with reference to and divided into seventeen separate subheads or funds, which distinction and separation are maintained throughout, as well in the accounts required to be kept by the comptroller and treasurer as in

<sup>5</sup> Communication of W. G. Joerns, Esq., Duluth, Minn.



the requisitions and appropriations made from time to time to meet the requirements of the several departments of the city administration. Transfers from one fund to another, except as specially provided in the charter, are prohibited and every order drawn upon the treasurer must designate the specific purpose for which and the specific fund upon which it is drawn.

At the first meeting in January of each year the several members of the Conference Committee are required to submit a full detailed report on matters generally pertaining to their several departments together with expenditures and indebtedness incurred and aggregate tax estimate for the current fiscal year. Monthly thereafter they are expected to supplement in its several details such reports, thus furnishing monthly an accurate balance sheet, as it were, of the doings and condition of their several departments, including their forecast for the month to come. From these reports and the data at his command, under the prevailing system of checks and counterchecks, our efficient comptroller has evolved a monthly balance sheet of the totals of the several funds and departments which shows at a glance the available total of such fund for the year, the total allowance and disbursement, the average monthly allowance and disbursement and the ledger balance at time of statement. This balance sheet thus furnishes the members of the Conference Committee, much as in the case of directors of a private corporation, a comprehensive view of the exact status of every fund and department at any given time, and, together with the monthly interchange of thought and general data, places them in position to exercise that mutual supervision and restraint so essential, in popular government, to a wholesome administration of affairs.

The practical result, in Duluth, of this system of supervision and check has proved most satisfactory. In the two brief years of its trial to date, covering a period in which the tendency to expansion and inflation and consequent extravagance has been, here as elsewhere in the United States, admittedly pronounced, it has unquestionably saved the taxpayers of Duluth many thousands of dollars; the searchlight of publicity thus thrown upon every department of city affairs exercises a wholesome restraint upon unwise official action; and a record is being made that ought to serve as a valuable standard of comparison for all future administrations of Duluth's municipal affairs.

**The New Ohio Municipal Code.\***—The Ohio legislature was called in special session on August 25, 1902, to enact a uniform law for the government of cities and villages. It adjourned on October 21, 1902, after having adopted a compromise measure. To appreciate the full significance of the new code, a brief summary of the existing municipal situation is necessary. Ohio is at present governed by a constitution adopted in 1851; three provisions of this constitution apply to municipal affairs.

Article II, Section 26. "All laws of a general nature shall have uniform operation throughout the state."

Article XIII, Section 1. "The general assembly shall pass no special act conferring corporate powers."

\* Communication of Max B. May, Esq., Cincinnati, Ohio.

Article XIII, Section 6. "The general assembly shall provide for the organization of cities and incorporated villages by general laws."

In 1869, there were two classes of cities, those that had 20,000 or more population; those that had less than 20,000. Legislation for cities within a class was held valid. This principle soon led to a further division of classes, and subdividing was carried to such an extent that at the opening of the year 1902 Cincinnati was the only city of the first grade first class; Cleveland of the second grade first class; Toledo of the third grade first class; Columbus the only city of the first grade second class; Dayton of the second grade second class; Springfield of the third grade "A" second class; Hamilton of the third grade "B" second class. In addition to classification by classes, cities were described by "general law" as "all cities which at the last federal census had a population of not more than X nor less than Y." This last refinement was too much for the Supreme Court so that in *Kenton vs. State*, 52 O. S. 59, an act describing a city which at the last federal census had a population of not less than 5,550 and not greater than 5,560 was declared unconstitutional. But until last June all laws referring to cities of the X grade Y class were sustained mainly because previous courts had so held. But in June last the Supreme Court, the personnel of the court having changed, declared laws so drawn as to relate alone to Cleveland and Toledo unconstitutional. The court used this significant language: "In view of the trivial differences in population and of the nature of the powers conferred, it appears from such examination that the present classification cannot be regarded as based upon differences in population or upon any other real or supposed differences in local requirements. Its real basis is found in the differing views or interests of those who promote legislation for the different municipalities of the state. But the body of legislation relating to this subject shows the legislative intent to substitute isolation for classification, so that all municipalities of the state which are large enough to attract attention shall be denied the protection intended to be afforded by this section of the constitution . . . Since we cannot admit that legislative power is in its nature illimitable we must conclude that this provision of the paramount law annuls the acts relating to Cleveland and Toledo if they confer corporate power." What was true of Cleveland and Toledo was true of Cincinnati, Columbus, Springfield and other cities.

There was no escape from a special session. During the interval Governor Nash had a draft of a code prepared and submitted the same to the legislature. Its principal feature was the appointment of bi-partisan police boards by the governor and the appointment of other bi-partisan boards by the mayor. The mayor, himself, however, was not vested with much responsibility. In the legislature itself there was much division of opinion, there were large and small cities and each class wished for a different scheme of government and as usual each branch passed its own bill and a conference committee framed the final measure.

Under the new code all municipal corporations having a population according to last federal census of 5,000 or more are cities; all other municipal corporations are villages. If any federal census should increase or reduce

this number of inhabitants, then the corporation it affects becomes a city or is reduced to a village. There is a very full grant of powers to cities and villages. Hereafter no street railroad franchise shall be granted except notice of application has been given for three weeks, and then only to such persons who agree to carry passengers at the lowest rate of fares, and to such who have obtained written consent of a majority of property holders upon each street or part thereof along route representing feet fronting on street. No grant or renewal thereof shall be for greater term than twenty-five (25) years.

Of course existing grants are not affected. But a peculiar Cincinnati situation compelled the insertion of a provision extending unexpired grants given under unconstitutional acts for the unexpired time. A digression is necessary here. In 1896 the legislature passed the Rogers law, authorizing local authorities to extend existing grants under certain conditions for a period of fifty years. Immediately the Cincinnati Street Railroad took advantage thereof. In 1898 the act was repealed. In July, 1902, the Superior Court in general term declared the Rogers act unconstitutional because special in terms. Now Section 31 of the municipal code attempts to validate these extensions because money was expended upon improvements. The courts will have to decide the question.

*Scheme of Government.*—The new code provides for the election of a mayor, president of council, who will be a vice mayor, auditor, treasurer, solicitor, department of public service, and department of public safety. The department of public safety is to be a bipartisan board composed of not less than two or more than four members as council determines. Appointments are to be made by the mayor subject to ratification by two-thirds vote of council; if not ratified, the governor makes the appointment. This board has control of fire and police departments, and must apply the merit system. The board acts as a civil service board and certifies a classified list to the mayor, who makes appointments of firemen or patrol therefrom. All other officers mentioned above, with the exception of the auditor, who holds office for three years, are elected for two years. The council fixes the number of members of the board of public service, not less than three nor more than five. This board is elective and is the chief administrative board of the city government, having full charge of streets, water, light, sprinkling, parks, hospitals, work-houses and reformatories, infirmaries and the like. It has also power to fix the number of its employees and their salaries. Council fixes salaries of all officials and the number of employees in each department except as just mentioned.

In addition to above officers there is a bipartisan sinking fund board of four, which is also a tax commission, a bipartisan library board of six members, and in cities having a university (Cincinnati) a university board of nine, and a health board of five; all of these are appointed by the mayor. The mayor has a veto power which may be overruled by two-thirds vote of council. Council has no power of confirmation of appointments except in case of members of Board of Public Safety.

*Council.* The city council is to be composed of not less than seven mem-

bers, four of whom shall be elected by wards, and three at large. If a city has 25,000 population, there shall be two additional councilmen elected by wards; for every 15,000 thereafter, one additional member shall be elected; whenever total membership is fifteen or more, one in every five shall be elected at large. This will give Cincinnati thirty councilmen, six elected at large and twenty-four by wards. The legislative department is thus unicameral. Members are elected for two years. Councilmen in cities of 25,000 or less shall not receive more than \$150 per annum; for every additional 30,000 salary may be increased by \$100, but in no city shall the salary of a councilman exceed \$1,200 per annum. The powers of council are legislative only.

The mayor may be removed by the governor, after public trial, for misconduct in office, bribery, gross neglect of duty, gross immorality, or habitual drunkenness.

The village council is to be composed of six members elected at large, the village mayor, who has no veto power is elected for two years and appoints the street commissioners. The other village officers are the clerk, marshal and treasurer who hold office for two years.

The new code merely provides that existing police court laws shall remain in effect. This provision was inserted because the Republicans did not have the necessary two-thirds vote to pass new judicial provisions. Existing councils must redistrict the cities into the required wards, fix the salary of the officials to be elected, and the number of members of the boards of public service and public safety.

The new code makes no provisions for the Boards of Education or Boards of Election; but certain state officials are charged with the duty of presenting a new and uniform scheme of school and election laws to the next General Assembly.

Inasmuch as great difficulty was had in preparing a law satisfactory to large and small cities, constitutional amendments will be submitted to the people in 1903, permitting the classification of cities into those having less than 20,000, between 20,000 and 100,000 and over 100,000.

The new code is thus at best a temporary expedient called forth by the exigency of the time. That the new city governments will give no more satisfaction than the present ones is patent to all. All lovers of good municipal government will regret that the Ohio legislature at the beginning of the twentieth century failed to take advantage of the rare opportunity to remedy the defects of the nineteenth. The new government merely continues the old régime under a new name. There is no general civil service, no fixed responsibility, no scientific basis for good government.

**Cuba.**<sup>7</sup>—*Municipal Legislation.*—During the recent session of the Cuban congress forty-three laws were passed. Of these twenty-one were appropriation bills, and four referred directly or indirectly to municipal affairs.

Two of these latter laws appropriated money to continue work on the sea-drive or "Malecon" in Havana; one law continued the existing incumbents of municipal offices in their positions; and the other repealed an order issued by the Military Governor of Cuba regulating the municipal financial system.

<sup>7</sup> Communication of Osgood Smith, Esq., Havana, Cuba.

*Municipal Elections.* The municipal elections in Cuba have been held under special orders Nos. 64 and 91, of 1900 and 1901 respectively, of the Military Governor, which provided for the election of the mayors, councilmen and treasurers. Under the general municipal law in force under the Spanish régime the elections of councilmen took place in the first two weeks in May (Art. 44) and the mayors were appointed by the Governor-General from among the councilmen (Art. 49). It is doubtful whether this old law was repealed or not by the subsequent orders of the American governor, but in any event no election was held in the first two weeks of May before the republic was established. Hence the Cuban congress wisely continued the old officials in office until it could frame a definite and permanent municipal election law. In fact this was almost the only practical way to meet the anomalous condition in which the American government left the municipal situation.

*Municipal Budgets.* On April 23, 1902, the Military Governor published an order of 108 articles, and several additional provisions, covering the subject of municipal budgets and their enforcements, the collections of revenues, bookkeeping, loans, the inspection of accounts by councilmen, and determining the responsibility of municipal officers. All of this law except that part which determined the form of the budget, and the manner of enacting it, was repealed by the Cuban congress.

The peculiar features of the portions not repealed are that the budget originates with the treasurer, passes through the hands of the mayor and city attorney (Syndico) and of the Municipal Board (Junta) before being submitted to the city council for enactment. Fines are imposed on any official who does not do his share in preparing or passing the budget within certain fixed periods. The Municipal Board (Junta) is composed of the councilmen with an equal number of the principal taxpayers added. Since this order was to go into effect on July 1, 1902, and was repealed by an act of the Cuban congress published on August 8, 1902, it has had no practical trial, and the wisdom or necessity of its repeal cannot be determined.

The municipal law existing in Cuba to-day is a heritage of Spanish times so far as it relates to municipal finances and systems of accounting. The cities are dependent on the insular government for their incomes, and have neither initiative nor independence in appraising the property subject to taxation or in determining the tax rate, except that the latter may not exceed a certain percentage of the state taxes. The accounts are kept in the most primitive fashion and in a form that makes the detection of fraud or error difficult and the punishment of anything but the most obvious fraud impossible.

*Havana Charter.* General Ludlow, to whom the sanitation and administrative reorganization of Havana is primarily and almost exclusively due, created a commission of ten to prepare a new charter for the city. This was done and such a charter was submitted to the Military Governor of the island after General Ludlow's departure. This charter gave the greatest independence to the city that was possible without too radically changing the entire system of law then prevailing, and was submitted to the city council,



which rejected it with only one dissenting vote. Almost immediately after the American evacuation the mayor and the city council petitioned the Cuban congress to have this charter put in force in the form submitted to the Military Governor. Such request was denied in the form in which it was made, because the subsequently enacted constitution of the republic had rendered some clauses unconstitutional and others inexpedient. It is understood, however, that certain members of the Cuban congress who are favorable to the charter intend to present it at the present session as nearly in the form in which it was presented to the Military Governor as is possible under existing circumstances. When this is done it is to be hoped that many of the defects of the antiquated, monarchical, Spanish system will be eradicated. The intention of the congress to take this action as soon as it can give due deliberation to the question is the most satisfactory explanation that can be given for the repeal of the military order referred to.

**Montreal.—Franchises.**\*—The experience of the city of Montreal in the matter of franchises and municipal undertakings is a subject the consideration of which naturally falls under three heads: (a) as to those privileges in return for which the municipality derives virtually no return; (b) those franchises on which a share of the profits accrues to the city, and (c) those enterprises owned and operated by the civic authorities.

To the first category belong the powers at present exercised by the telegraph, telephone and lighting companies.

The telegraph companies acquired, many years ago, the right to erect poles and to stretch wires, but can make no underground constructions without municipal consent. The telephone companies and the gas and electric companies have obtained their charters from the federal and provincial governments, and may locate poles, stretch wires, and lay conduits, with or without the consent of the municipality, the only reserve made in the city's favor being that the structure shall be placed where the city surveyor may designate. No contribution is made to the city for this privilege. Unfortunately the commercial value of these concessions was not realized at the time that the charters were granted, and the city of Montreal was deprived of what should be a fruitful source of revenue before it was realized that there was anything to lose.

The city buys its gas and electric light from the Montreal Light, Heat and Power Company, paying annually \$17 per lamp for 550 gas lamps and \$89.82 each per annum for 1,300 arc lights of 2,000 nominal candle power.

Poles, pipes, wires, etc., are assessed as real estate and taxed accordingly.

In the second class mentioned above are the traction companies. There are two such companies operating at present under arrangements made with the city, the Montreal Street Railway Company and the Terminal Railway Company. The former company, which operates about forty-one miles of track, has a thirty-year franchise dating from August 1, 1892. Under the terms of their agreement the Montreal Street Railway Company has no

\*Communication of Herbert B. Ames, Esq., Montreal, Canada.

monopoly, but is entitled to preferential treatment in respect of a specified list of streets. The service furnished is the overhead trolley system. The company is obliged to furnish eight workingmen's tickets for twenty-five cents, good from 6 a. m. to 8 a. m., and from 5 p. m. to 7 p. m.; also six ordinary tickets for twenty-five cents, good for all hours except between midnight and 6 a. m. At the expiration of the franchise the city may assume the ownership of the entire undertaking on payment of the value, as determined by arbitrators, with an additional amount of 10 per cent added to their award. The streets where the lines run are, during the winter, kept free from ice and snow by the city, the company bearing half the expense. The company pays to the city a percentage on its gross earnings, based upon a sliding scale. During the year ending September 30, 1902, the company paid over to the city as tax on earnings and other taxes \$127,257.85, and on account of snow clearing \$50,771.66, making a total contribution of \$178,029.51. The company pays an annual dividend of 10 per cent upon its capital stock (which is to-day quoted on the stock market at \$275), and has accumulated a reserve of nearly one million dollars.

The tramway privilege accorded to the Terminal Railway Company in January of 1902 is much more favorable in its terms from a municipal point of view. This franchise is for ten years. At present it affects about five miles of streets. The company must permanently pave the space between the rails, the space between the double tracks, and eighteen inches outside the rails; must remove all snow from curb to curb, must water the streets without charge to the city, must give ten workingmen's tickets for twenty-five cents, and must pay a percentage nearly four times as great as that required of the Montreal Street Railway Company into the civic treasury. At the end of ten years the city may purchase the road at cost and 10 per cent additional.

The only enterprise in the third category is the water plant. Since 1856 Montreal has owned and operated her present water works system. It has entailed an expenditure of nearly nine million dollars, chargeable to capital account. The water is taken from the St. Lawrence River, about six miles above the city, and is pumped into the mains and to a reservoir, upon the side of Mount Royal, 204 feet above the river. The total pumping capacity exceeds forty million gallons daily. The operating expenses are about \$140,000 per annum, while the income derived from water taxes and meter charges last year amounted to \$810,500. Computing the interest upon the capital investment at the rate of 4 per cent, and adding thereto the ordinary maintenance charges, there is an apparent profit to the city of \$300,000 per annum. Extensive repairs and renewals are, however, constantly required, which, if deducted from this apparent surplus, would reduce it very considerably.

The question of a municipal underground conduit system, in which the various companies should be compelled to place their pipes and wires, is now becoming a live issue, and if the financial features of the proposition can be satisfactorily arranged, will probably be the next enterprise of this character undertaken by this municipality.

## II. NOTES ON COLONIES AND COLONIAL GOVERNMENT

**Philippine Commerce, Fiscal Year 1902.**—The import and export trade figures of the Philippine Archipelago for the twelve months ending June 30, 1902, recently published by the Bureau of Insular Affairs of the War Department, show a continuance of the improvement in trade that has prevailed since the inception of American control. This is gratifying when it is considered that the ravages of rinderpest, which destroyed over 90 per cent of the Carabaos, the plague of cholera, and the locusts, seriously interrupted business in many sections of the archipelago.

While the showing made by this country on the basis of direct shipments to and from the islands discloses a marked increase during the past few years and in itself indicates much activity on the part of the American manufacturer, nevertheless these figures as they relate to imports are exclusive of large purchases made in this country entered at the Philippine customs houses free of duty for use of the United States military departments, the insular government, or that of its subordinate branches. In addition to this unmeasured benefit to the United States trade, it is but fair to state that this country is deprived of the proper credit for its imports into the islands by reason of shipments passing through Hong Kong and eventually reported as originating at that point. Although this applies to European countries as well, to some extent, it has been found that only an exceedingly small portion of their export credits is affected, for the reason that nearly all their shipments come direct via Singapore and the transshipment at that port, and at Hong Kong and Saigon are rarely attended by the issue of new shipping documents under which the port of transshipment can be taken as the port of origin.

As to the Philippine export trade with the United States, in which this country has trebled its figures during the last two years, the results represent more nearly the proper credit, but there are numerous instances of direct shipments of hemp in large quantities, intended for the United States, to Europe and Hong Kong under documents in which these countries are given as the ports of final destination, as will appear from the fact that approximately seven and a half million dollars' worth of hemp was exported from the Philippines to the United Kingdom during the year 1902, while during a similar period the importations of this fibre into the United States coming from the latter country amounted to nearly four and a quarter million.

During the fiscal year 1902 there was imported merchandise, exclusive of gold and silver, to the value of \$32,141,342, showing an increase of nearly two million dollars over the same period of 1901 and exceeds all previous figures for any single year in the history of the archipelago.

The total importations received from date of American occupation to and including June 30, 1902, amounted to \$96,135,694 on which the total duty approximated over twenty-two and a half million, or based on complete yearly periods covered by the last three fiscal years, it would appear that

an average annual import trade of more than twenty-seven and a half million has been maintained, the United States sending merchandise to the amount of \$4,035,243 in 1902 as against \$2,855,685 in 1901 and \$1,657,701 in 1900 or an increase for the past year over 1900 of 143 per cent.

It is extremely difficult, if not impossible, to obtain authentic statistics relating to the trade prior to our occupation, but it may be of interest to compare the average just mentioned with the estimated value of imports of years immediately preceding that time. According to figures taken from Bulletin No. 14, United States Department of Agriculture, Section of Foreign Markets, the British consul at Manila has collected data in which the approximate value of imports into the Philippines for 1895 is stated at \$7,915,600, for 1896 at \$9,292,500 and for 1897 at \$9,120,000; of these amounts an average annual value of \$125,432 is credited as coming from this country.

The same authority publishes figures fixing the average annual value of total imports during the period 1880-1894 at \$17,039,044, which is probably a fair normal average during the years in which the archipelago was open to the commerce of the world; the major portion of the trade during this period is credited to Spain and the United Kingdom, which countries practically controlled the Philippine import market. The annual export trade from the United States to the islands during these years, presumably taken from records at the customs houses of this country, approximated \$130,000, a very insignificant part of the totals reported as coming from all countries. The relative standing during the last fiscal year shows a gain of more than a million dollars for this country, in round numbers being second in rank with over \$4,000,000, a rating of 13 per cent, exceeded by the United Kingdom with 17 per cent; the Spanish trade having fallen off to such an extent that its present ratio equals but 7 per cent. As compared with her trade for the previous year the United Kingdom lost practically one-fifth in the value of goods sold, the figures for cotton goods alone, which is the principal class of importation into the islands, showing a loss of a million and a half.

The average annual value of Philippine export trade from 1880-1894, inclusive, is given as \$20,526,961, though the records disclose but little information by countries relating to these years.

The United Kingdom appears to have been the principal destination during the five-year period from 1892-1896, inclusive, with an average annual value of \$8,844,026; the United States ranking second with \$6,053,232. For the same number of years immediately preceding this period, an average of about \$8,786,000 was received by this country annually, while the United Kingdom trade appears to have been second in importance, falling a little short of this figure.

The export figures of the archipelago in the fiscal year 1902 were larger, with but two exceptions, 1870 and 1889, than in any year of its history. The last fiscal year shows an increase over 1901, \$23,927,679 worth of merchandise being exported, of which the United Kingdom and United States received nearly \$16,000,000 in practically equal proportions, however, the re-exportation of hemp to this country for the past year coming from the United

Kingdom places the United States far in advance as the leading market for Philippine products at the present time.

From date of American occupation, to and including June 30, 1902, this trade amounted to \$79,260,607, and the duty collected to nearly three million dollars.

**Jury Trials in Porto Rico.**<sup>1</sup>—It has proved a matter of surprise that so few defendants in criminal actions in the insular courts are availing themselves of their right to ask for a jury trial. This right was established by the first Legislative Assembly of Porto Rico, the law taking effect April 1, 1901, and applying to all criminal cases where the punishment would exceed two years' imprisonment. The new code of criminal procedure enacted during the second session of the legislature, and which took effect July 1, 1902, extended the right of trial by jury to all felony cases with the further provision that the prosecuting attorney notify the defendant in writing in every such case of his right to demand a jury trial. Yet the defendants and their attorneys have remained indifferent to these provisions, and among the hundreds of trials held in the insular courts since the jury law took effect, up to October 1, 1902, scarcely a dozen were by jury. There is no doubt that this small number is due in a great measure to a lack of familiarity with the law, but the fact remains that the number is much less than was expected and that the trials by judges alone inspire more confidence than was thought.

When the jury system was instituted it was predicted that many juries would fail to agree and that the number of acquittals would be large. Only in one instance, however, has it been necessary to discharge a jury for failure to agree, and the majority of cases have resulted in convictions. The form of special verdict, so rare in the states, was resorted to in one case.

The jury trials have generally been characterized by great solemnity. Considering the fact that usually not one of the participants had ever seen a trial by jury, the trials were also conducted with remarkable smoothness. The very lack of familiarity with the system on the part of the lawyers contributed to this smoothness, for acts and omissions which in the United States would have vitiated all subsequent proceedings or called forth storms of protest have been passed by in blissful acquiescence without a word of comment. Thus trials have been held without the formality of swearing the jury. In the trial of a challenge in one case a juror was found incompetent by his sworn admissions, yet the judge refused to rule him out because no further evidence had been offered. In another case the jury filed into court and announced that they stood seven to five, and the judge before sending them back, gravely required the majority and minority in turn to rise, and the clerk to record their names. In still another the jury convicted the prisoner of an offence radically different from that of which he stood accused. Yet in each one of these cases the verdict was allowed to stand without exceptions being made, for no one was the wiser. The jury, too, has caused

<sup>1</sup> Contributed by Hon. Otto Schoenrich, Arecibo, Porto Rico.



its share of ludicrous situations. One jury made a request to have a lawyer to direct them in their conferences. Another insisted on passing sentence on a defendant after convicting him. Another brought in a verdict to the effect that "without considering the evidence the jury acquits the defendant." Many instances might be cited. But on the whole it may be said that there has been a surprisingly small number of informalities and that the verdicts have in almost every case been in strict accordance with justice.

In view of the small number of cases tried by jury in the insular courts, it is too early to form a definite opinion as to the ultimate effects of the introduction of the jury system. The first results have on the whole been quite satisfactory, but it remains to be seen whether they will continue when the newness and strangeness of the system wears off. The jury trials held in the Federal court cannot be taken into consideration for the great majority of the jurymen have been Americans or Americanized Porto Ricans, but even here the results have not been of a kind to induce great enthusiasm. It is probable that the same objections will hold in Porto Rico which are to be urged against the jury system in the United States. By law, members of most of the professions are exempt from jury service, many persons who are liable, resort to every means within their power to escape from what to them is an onerous burden, and the majority of those who welcome jury duty are undesirable persons whose incentive is the jury fee. In Porto Rico there are other objections. The standard of education is not so high as it is in the United States. The island being somewhat isolated and not very large, almost everyone of any prominence enjoys a wide acquaintance. The ties of family, however remote, and those of friendship, are very strong, and no less strong are the passions aroused by politics and personal enmity. It is therefore a question for the future to determine whether justice would not be better administered by impartial judges trained and accustomed to weigh evidence in the light of law rather than by inexperienced and perhaps partial juries. In criminal cases, where the issue of fact is clear and simple, juries are more acceptable than in civil matters where law and facts are often intimately blended and very complex. It would appear wise to keep the operation of the jury law confined to criminal matters and not to extend it to the settlement of civil questions.

**Economic Questions in the English and Dutch Colonies in the Orient.**—In August, 1901, Professor Jeremiah W. Jenks was appointed Special Commissioner by the Bureau of Insular Affairs of the War Department to investigate the systems of currency, labor, internal taxation and the police, of Burma, the Straits Settlements and Federated Malay States, and Java. His report, which has just been published by the War Department, is briefly summarized in the following pages:

#### I. CURRENCY.

*Effect of depreciating currency.*—The experience of the English and Dutch colonies during the period of the depreciation of silver from about 1873 to the present time seems to show that a currency which is rapidly

depreciating, as compared with gold, tends toward stimulating the export trade and business of manufacturing for export. This comes about, of course, from the fact that in these colonies the export trade has been mostly with gold-standard countries. In consequence, with a gold price remaining stable, the amount of silver received for the same quantity of goods in the colony was steadily increasing. The wages of laborers and the local cost of material employed in manufacturing being paid in silver, naturally remained more nearly stable. In consequence, manufacturers and exporters received steadily a bounty in addition to what might be considered normal profits. It is, of course, true that the buyers in Europe, recognizing the situation, in certain cases, discounted this advantage in their offers; but, generally speaking, there can be little doubt that the depreciating currency actually stimulated and aided the exporters and manufacturers.

*Effect in Sumatra.*—Naturally this gain must have been paid by someone. In the case of the tobacco raisers of Sumatra, whose expenses were chiefly for labor, the gain was secured mainly through increasing their silver prices without a corresponding increase in the wages of their coolie laborers. On the other hand, inasmuch as the laborers consumed chiefly goods which were raised in the country itself, not for export, and inasmuch as these prices, largely fixed by custom, did not in many cases go up, they did not feel the loss as they would have done had they been compelled to buy imported goods. Moreover, in many instances, where their goods were imported, as, for example, opium, either this came from silver-standard countries, or else, whenever the price showed a tendency to increase, the tobacco producers, in order to prevent dissatisfaction on the part of their laborers and the consequent possible demand for an increase of wages, sold opium to them at the previous rate, and themselves stood any loss that might come from its increased silver price.

*Effects in India.*—In India, where wages were largely a matter of custom and where the pay also was at times partly in truck, the laborer usually did not feel any immediate loss from the depreciation of the coin in which he was paid. In that country the sufferers were chiefly government officials and others whose salaries were fixed in terms of silver rupees, but who had to consume in part imported goods, or who were compelled to make remittances to gold-standard countries.

With these classes should of course be classed the government itself, which, being heavily in debt to gold creditors in England, was compelled to remit from year to year a steadily increasing amount of silver or of silver credits, as that currency depreciated. The determination to fix the rate of exchange in India came about, of course, mainly from this necessity of the government itself. The result of fixing the rate of exchange with gold has been the relief of the government and of those who are compelled to live, to a considerable extent, upon imported or export goods, while it has taken away from the exporters and manufacturers and producers of export goods the stimulus which they were continually receiving before. So far as in fixing the rate of exchange there was an increase in the value of silver, that has

come, of course, nominally at any rate, to the detriment of practically all Indian consumers and taxpayers. But, on the whole, it is probable that, as they consume largely Indian products, this has not been materially felt by them.

*Conclusions from experience.*—It would seem, therefore, that if a country is using a silver standard it might be well to maintain that standard if one wished to stimulate the internal development of the country in the matter of export goods, and were also willing that those who consumed import goods and the laborers, so far as they had the opportunity of getting either import goods or of securing gold credits of any kind, should carry the burden, unless the evils that are likely to come from the fluctuation of currency would seem to overbalance.

It is a matter of doubt, however, at the present time whether silver is likely to depreciate any further. Many people have been of the opinion that, owing to the new gold discoveries and to the probable increase in the output of gold in South Africa since the close of the Boer war, silver will be likely to increase in value rather than to lessen as compared with gold. Should that occur, this stimulus spoken of would be changed into a drag upon progress.

The matter of stimulating the export trade also depends, to a considerable extent, upon the countries to which the exports are sent. If these are silver countries, the effect will not be felt. A country, therefore, might well consider whether it wished to stimulate trade with the gold countries or with silver countries before finally formulating its policy.

#### CONCLUSIONS REGARDING THE PHILIPPINES.

To apply, now, this experience to the situation in the Philippines:

*Effects of depreciating standard.*—While it is desired on the part of the American government to develop as rapidly as is consistent with just treatment of the Filipinos the resources of the Philippine Islands, it is by no means the desire to do so at the expense of either the Filipino laborers or the local Filipino producers, who would receive their pay in silver. At present the hemp plantations are largely in the hands of small individual holders, who sell their product to the exporting houses, mainly English, for shipment to the chief importing countries, England and the United States, both of which are on the gold basis. The gain that would come from a fall in the rate of exchange would naturally be kept chiefly by these European or American exporters, and the Filipino producer would receive little or none of it. Even if he were to receive some slight gain through an increased silver price, he is certain to wish to consume more or less—and continually more as time goes on—of imported goods. At present he uses some cotton, but as his income improves he will certainly use more in the way of tools, agricultural implements, and other articles of import. In all these matters, therefore, he would be losing if silver continues to depreciate; and, taking the matter as a whole, it is likely that the chief gain, if there were any gain, would come not to the Filipino, but to the American or European go-between.

In the case of the large sugar plantations, the gain would come also to the exporting merchant, or later possibly to the individual or corporation owning the large plantation. The burden would fall upon the laborers, who, at the present time, are mostly Filipinos. If Chinese coolie labor were admitted, and the Filipinos engaged in other labor, it would be the Chinese coolies chiefly, in this industry, who would carry the burden, and more, then, might be said in favor of the maintenance of a silver standard.

*Effects of fluctuations.*—On the other hand, as has been intimated, it is by no means certain that silver will depreciate steadily in the future. Moreover, it is perfectly certain that great embarrassments will come both to business men and to the government from the continually fluctuating currency. During the three months of the spring of this year the government had fixed the official rate of exchange between silver and gold at \$2.27 in silver for one American gold dollar. The rate at the time it was fixed was high enough. A rapid fall in silver, however, placed the market rate at considerably above \$2.30; most of the time it was as high as \$2.35 or \$2.36, and at times it was even above \$2.40. The consequence was that all government officials and all who had contracts with the government were compelled to receive money at \$2.27, while in their outside purchases they were compelled to pay from \$2.35 to \$2.40. Practically all of the leading business houses in Manila at once changed their prices from the silver basis to the gold, and in making the exchange naturally took advantage of the consumer. Wage-earners in general, whose wages had been fixed in silver, were compelled to take their pay in that metal, and suffered accordingly.

*Difficulties of government.*—To the suggestion that the government change the rate more frequently whenever the market rate changes, the important objection is, aside from the hampering effect on business, that it is practically a matter of great difficulty for the government treasury officials to make these frequent changes in their rates. Many of the officials in outlying districts cannot be communicated with oftener than once a month, or even once in two months in some cases, and a change made in Manila on, say, the first of September, if attempts were made to make adjustments, might cause two months afterwards, in some outlying province, a payment of additions to salaries not fully paid, or might involve the cutting of a subsequent salary in order to make even the government loss of the preceding months. It might even in special cases involve a practically impossible attempt on the part of the government to collect back money already paid out. If the prospect of gain to the common man were great, we might readily demand that the government take upon itself the trouble involved in the fluctuating rate; but as such gain is not probable, inasmuch as at the present time nothing can be more important than for the government to run with as little friction as possible, and to avoid all possible causes of controversy with the people, it seems of the highest importance that the government be spared the difficulties of the fluctuating rate.

*Encouragement of commerce with United States.*—It is clearly best, also, when one looks to the future development of the Philippines, that its com-

merce with the United States be encouraged. This can be brought about, beyond question, on a more stable basis provided the rates of exchange between the Philippines and the United States be substantially fixed, fluctuating only with the demands of business.

For all these reasons therefore, it seems on the whole best that the Filipinos be given a fixed rate of exchange for their currency as compared with the gold standard of the United States.

*Nature of currency desired.*—It is, however, desirable, whenever any country is to establish a new system of currency, that the value of the coins most common in circulation be changed as little as possible. The wages of labor and prices already fixed are to a considerable extent matters of custom. If a monetary unit is introduced of considerably more value than the one abandoned, it will be necessary to make a nominal reduction of wages and of prices. The consequence is that laborers and less well-informed sellers of produce will feel that their income is being arbitrarily lessened, and great dissatisfaction is almost certain to be the result. One can easily see how a sudden action of that kind on the part of a government might produce even a revolution among people not well informed on monetary matters.

If the new currency, however, is one whose monetary unit is substantially the same or only a trifle higher than the one already employed no evil result of this kind will follow. There might even be a slight increase in the value of the monetary unit which would come to the benefit of the wage-earners and the local producers.

The system of currency recommended in the first place by the Philippine Commission, and afterwards formulated more completely by Mr. Conant, special commissioner of the War Department, follows out this principle. The new coin would be substantially equal in value to the Mexican dollar or peso formerly in use. It would, in fact, be slightly greater in value in the world's markets since this last fall in silver. It is probable, however, that the difference would not be great enough so that there would be any nominal reduction in wages, or, speaking generally, in the prices of produce.

It seems, therefore, that the wisest plan for the United States, if it intends to act in the interest of the native Filipinos and not exclusively in the interests of the comparatively few exporters and bankers, is to adopt the gold standard and to adopt the system of coinage recommended, which will produce as little disturbance in local conditions as any that has been proposed. It is extremely unfortunate that the system could not have been adopted before the last fall in silver, as in that case practically no disturbance whatever would have been noticed.

*Present measures.*—Meanwhile, without the gold standard, the Philippine government can, perhaps, relieve part of the embarrassments of its employees by keeping a balance in the United States, and selling to them substantially at the rate in which they are paid whatever drafts they need for remittances home; or, in many cases, the same result might be accomplished more speedily by permitting them to have part of their salaries paid in gold to a designated representative in the United States.



If it were desired to fix the rate of exchange without abandoning the use of silver as the chief money of the Philippines, a plan might be adopted of arranging, through bureaus established for the purpose, for the sale in Manila of gold drafts on the United States and in the United States of silver drafts on Manila, at substantially the agreed upon ratio, somewhat after the plan recommended for India by Mr. Lindsay, of the Bank of Bengal, in Calcutta. There is reason to believe that such a system would work to advantage in many ways, especially in connection with the plan for the currency recommended if it were thought desirable to encourage the use of silver.

## II. LABOR.

*Imported labor in the Orient.*—In both the English and Dutch colonies of the Orient, the governments have felt the need of developing as rapidly as possible the resources of the countries. It has been felt that this development is as much in the interests of the native inhabitants as of the governing country. Wherever the population has been dense, as in Java, southern India, and many parts of central and northern India, the governments have depended entirely upon the native inhabitants for carrying out the work of development. In other places it has been found best to make provision for the importation of coolie laborers.

In Burma and Assam, as well as in Ceylon, employers, under suitable laws made by the colonial and Indian governments, have relied upon Indian coolie labor, the laborers coming mainly from southeastern India in the neighborhood of Madras into Ceylon and Burma, while the need of the planters in Assam has been supplied mainly from regions in India lying farther north.

In Burma, where there is no restriction upon immigration, there are found also a goodly number of Chinese. These, however, with rare exceptions, either engage in mercantile pursuits or are skilled workmen—carpenters, shoemakers, etc. In all these countries, as we have seen, the chief care of the government has been to protect the interests of the imported laborers and to give whatever encouragement was possible to their importation.

In the Federated Malay States, for the opening and development of the tin mines, the chief reliance has been upon Chinese laborers. There seems to be no doubt that without Chinese labor these most prosperous Malay States would have remained in a much more backward condition. Since the wages paid in the tin mines are, relatively speaking, high, and the Chinese, the better miners, go into that work, these states have been compelled to secure labor for development of their agricultural interests chiefly from India.

In East Sumatra, where the chief industry is tobacco growing, and in other parts of Sumatra where mining is the prominent industry and where the native population is altogether too small to perform the amount of work required, and is also disinclined toward severe labor, the employers have relied upon the importation of Chinese.

*Effects of imported labor.*—In all of the countries mentioned above it is practically the universal testimony that the importation of Indian or Chinese labor has not been, on the whole, to the detriment of the native peoples, and

speaking generally there is no hostile feeling between the natives and the imported laborers. Objection is made sometimes to the Chinese merchant or peddler in the villages. In Burma the native Burmans are disinclined to do the heavy labor required. In the rice mills the Burman is often found as bookkeeper, or as superintendent of certain departments of the work under the general supervision of the English or Scotch manager. At certain seasons of the year, when the Indian coolie can get somewhat higher wages in the rice fields and leaves the mills, the native Burman will, by exception, do the heavy work about the rice mills, but only on condition that he receives from two to four times the wages regularly paid to the Indian coolie.

The prosperous condition of the country, brought about by the work of the Indian coolie and of the Chinese skilled laborer, seems nevertheless to come in part to the benefit of the native Burman. In many cases he is a landholder and receives better prices for his crops, especially the garden truck, than would otherwise be possible. Likewise in many instances he is a successful fisherman, and his market has been increased. In the prosperous cities, such as Rangoon and Moulmein, the hundreds of drivers of gharries and carriages are nearly all Burmans, while to them also come in good part the tasks of keeping books, drafting maps, making surveys, and the numerous other kinds of semi-skilled work which usually accompanies a developing business and an increasing population.

Similar results seem to be found in the Federated Malay States, the Straits Settlements and Sumatra. The native Malays will not do the heavy labor. They would much prefer that the country remain undeveloped. But the increased population and the developing business have created a much greater demand for their services as boatmen, clerks, drivers, etc., as well as for the product of their lands and their fisheries. Certainly in all those countries the natives are better off than before the immigrant laborers came.

*Work of Chinese merchants.*—In the Straits Settlements and the Federated states, however, where the Chinese are allowed to come freely, and, as soon as their contracts for labor are fulfilled, to engage in whatever occupation suits them, we find many Chinese merchants, shopkeepers and peddlers. They are thrifty, keen at a bargain and observant of the weaknesses of their fellow men. They soon learn the Malay love for display and carelessness of the future. In consequence they are ready to furnish to him gay clothing, provisions, anything that he wishes to gratify his desires; and they make no objection to giving satisfactory terms of credit. The consequence is that in many localities the Chinese shopkeeper has a large proportion of the simple-minded Malays in his debt, and gradually becomes the wealthy man of the village, with almost absolute power of domination over a large proportion of his neighbors.

A somewhat similar situation is found in Java, although there, on account of the density of the population, the Chinese are not allowed to come in large numbers to do the ordinary coolie work. Long experience has also taught the Dutch government that the Javanese will be overreached in a bargain by the more crafty Chinamen if they are allowed to come in contact. In con-

sequence the Chinese skilled laborers and merchants are carefully restricted to the towns in which they are placed and are not allowed to wander through the island at all. If their business needs require them to pass from place to place, they must secure a permit from the government and must report to the government officials of the towns through which they go and of the place of their destination when they arrive. In this way, outside of the larger towns, the more simple-minded Javanese of the rural districts are protected against their own weaknesses and are kept out of debt to the Chinamen. How do these experiences apply to our problem?

#### THE PHILIPPINES.

*Conditions in the Philippines.*—In the Philippines at the present time there is a great scarcity of labor. Since the American occupation wages for domestic servants, coachmen and clerks, as well as for common unskilled laborers, have doubled and trebled, and in many cases it is simply impossible to get the work done at any price. It is a common experience in Manila to wait for hours before one can secure a public carriage of any description, good or bad, to drive from one part of the city to another; and similar unpleasant experiences in connection with house servants and workmen of all descriptions are usual.

Speaking generally, the unskilled Filipino laborer, while intelligent enough, is careless and thriftless. He in most cases wishes to take two or three days a week on the average to celebrate as feast days. In individual cases, when his wages have been increased, he has been known to lessen correspondingly the number of days per month which he would work. His income being sufficient to satisfy his modest needs, he could see no reason why he should toil longer than was necessary to earn his income.

These general statements, however, are subject to certain exceptions and qualifications, which are often not mentioned. One of the largest government employers of labor in Manila, who needed some two hundred coolies to carry boxes and heavy freight on the wharves and about the city, stated that he had succeeded by a process of elimination in getting the required number of men who would work steadily throughout the week without taking feast days and without making more trouble than one would expect from unskilled American laborers. To secure this number of about two hundred picked men, however, he had employed from a thousand to twelve hundred, had paid good wages, and had discharged those from time to time who were not willing to do the regular work required. It is, then, possibly fair to say that of the ordinary Filipino laborers a certain percentage may be secured who will work faithfully and well provided good wages are paid and provided they are handled by an employer with firmness and skill.

There are, however, not enough Filipinos who can be secured in the city or from the provinces to do anything like the amount of work required to develop the resources of the islands as rapidly as is desirable. Doubtless some of the American and European employers of labor in Manila who are

raising the greatest outcry regarding the scarcity and worthlessness of Filipino labor, and who are demanding that the Chinese be admitted, are wishing mainly to cut down wages and secure cheap labor. To assume that this desire, however, is the only one which leads to the demand for Chinese labor is to misjudge the facts. Wages at the present time in certain lines of industry are so high that it would be impossible to compete in a common market with Hong Kong, Singapore or other cities, with whose goods the Philippines must enter into competition. What is desirable is to secure enough labor at rates high enough to enable the laborers to improve decidedly their customary standard of living, and at the same time not so high that the Philippines will be shut out from successful competition with other Oriental countries and decidedly impeded in their normal development.

*Suggestion of admission of Chinese under restrictions.*—To bring about these results it seems to be necessary to admit under careful restrictions a certain number of Chinese laborers. Such admission, if one may judge from the experience of the other Oriental countries, will result in a benefit to the native Filipinos as well as to the Americans and Europeans who send their capital thither for investment.

The thousands of Chinese now in the islands are mostly shopkeepers in Manila and other large towns, and skilled laborers—carpenters, shoemakers, tailors, etc. They, like the Chinese everywhere, are diligent and frugal. As shopkeepers they make large profits out of the frequently thriftless Filipinos. Their virtues of diligence and frugality, combined with their unscrupulousness, make them somewhat dangerous neighbors for the less wily and less provident Filipino. For the sake of the Filipinos, for whose benefit Congress has declared that the government shall be administered,<sup>2</sup> the Chinaman ought to be restricted in his movements and work. But likewise for the sake of the poorer Filipino, as well as for that of the American or Filipino capitalist, Chinese labor ought to be admitted to the islands in order that capital may be profitably employed, for without this introduction of capital the Philippines cannot be properly developed. In his testimony before the House Committee on Insular Affairs, March 3, 1902, Judge Taft called attention to an important firm of shipbuilders which was ready to build a large establishment on Manila Bay, provided that Chinese skilled laborers could be brought in. Filipinos might doubtless in most cases be employed as apprentices.

A successful tobacco planter of Sumatra a year or two ago started for the Philippines with the expectation of working a large tobacco plantation. On reaching Hong Kong he visited the American consul and from him learned that Chinese labor could not be introduced. From his experience with both Malay and Chinese labor in Sumatra he was convinced that the business could not at first be profitably carried on without Chinese laborers. He therefore, without even visiting the Philippines, abandoned the project and retraced his steps to Sumatra.

Even the Philippine government has had the greatest difficulty in securing labor to build a much-needed road to the health resort in Benguet, while both

<sup>2</sup>Act of July 1, 1902.

the government and private employers in connection with harbor improvements, with the loading and unloading of ships, and in other ways have found themselves very seriously hampered, no matter what wages they were ready to pay.

#### RECOMMENDATIONS.

For these reasons, therefore, it is recommended—

That the Philippine Commission be empowered to legislate regarding the admission of Chinese labor.

That a careful registration be made of every Chinaman in the islands, and that any new Chinaman introduced into the islands be made subject to a penalty if he is found away from his registered city or district of residence.

That it be permitted employers of not less than, say, twenty-five laborers to bring in Chinese under contract for a period of not over three years.

That these employers give bonds to secure the proper lodging, food, and treatment of their Chinese laborers, as well as for their security and employment at the work specified in the contract.

That they further be under bonds to return each imported Chinese coolie to China at the expiration of the period of the contract, unless in the meantime the contract is renewed under the special permission of the government granted separately in each case.

That there be appointed by the governor of the Philippines an inspector or protector of the Chinese to see that the law is rigidly enforced, both as regards the proper care of the Chinese coolie and as regards the protection of the Filipinos and others against evasion of the contract by the coolie absconding and going elsewhere in the islands as a regular inhabitant; and, finally.

That, while the present law excluding Chinese from the Philippines be modified as indicated, proper care be taken that the Chinese do not come from the Philippines into the United States.

It is believed that such a measure would result, with here and there an individual exception, not at all to the disadvantage of the native Filipino, but in the long run decidedly to his benefit through improved business conditions in the islands, which would furnish to him not merely a better market for his produce, but also a better opportunity for engaging in the kind of work for which he is best fitted and which accords most closely with his tastes. The development of business in the islands would increase greatly the demand for stenographers, telegraphers, drivers of horses, boatmen, etc., as well as for draftsmen, clerks and employees of various kinds in the government service and in the service of the larger business houses.

#### III. TAXATION AND LAND ADMINISTRATION.

*Customs duties.*—The experiences of the other countries under consideration have little to contribute on the subject of customs duties. The experiences of the Straits Settlements and of Hong Kong show in increase of trade the beneficial effects of the abandonment of customs duties entirely in ports which



are mere entrepôts, and which do not expect to use duties in any way to aid in the development of a country. Owing to the favorable situation of the Philippines as well as to the advantage derived from their production of such staple articles as hemp, sugar, copra and tobacco, it may well be that when other sources of revenue can be successfully established the import duties should be revised with the deliberate intention of so fostering commerce that Manila will become a rival on equal terms with Hong Kong and Singapore. For the present, however, the import duties are necessary and seem to have been very wisely framed.

The experience of the Federated Malay States, which are extremely fortunate in having so large a proportion of the productive tin mines of the world that they have the substantial benefit of monopoly, shows the advantage of an export duty under those special circumstances, in which the element of monopoly enables these states to get a large proportion of their income paid by foreigners.

It is possibly the case that the Manila hemp possesses enough of the monopoly element so that the export duty levied on that article is practically contributed by the foreign consumers, with little, if any, sacrifice on the part of the hemp growers. The other export duties are chiefly defensible on the ground of need for revenue.

*Opium revenue.*—The opium admitted into the Philippines for the use of the Chinese should yield a large revenue, and if the example of other Oriental countries is followed, a very large revenue will be secured from at least this one of the "vices of the Chinaman." This revenue, as we have seen, is sometimes collected directly through import duties and licenses, more frequently through the intervention of a Chinaman as farmer, who pays the government a lump sum for the opium farm, and then collects the duty and license dues for his own pocket under the regulations of the law. The experience of most developing countries has been to the effect that the system of farming out revenue duties is subject to grave abuses, especially against the taxpayers. But it seems to be the common experience in Oriental countries that, owing to the difficulties of dealing with the Chinese, with their peculiar habits and extremely difficult language, the revenue system in connection with opium is not likely to be efficiently managed excepting through a farm.

#### LAND TAX AND LAND TENURE.

*Importance of land tenure.*—Of much greater consequence in the long run than either of the matters mentioned above is the land tax, because the question of the land tax involves the whole subject of land tenure, the question which possibly for the Filipino is the most important. It may readily involve for him the question of independent prosperity or tenancy under conditions little better than serfdom.

One should not overlook the fact that the question of the tenure of land is entirely different in the Oriental country, with a people not skilled in legal technicalities or accustomed to bargaining with Europeans or Americans, and

especially with a people inclined to seize the present pleasure and to forget the possible ills of the future, from the same question in a country like our West, where our pioneers were fairly equal in training and native ability, and were as a rule reasonably thrifty.

But even in the United States, as we know, although our homestead and public-land laws have worked well in the way of developing the country, there have been many abuses. Many homesteads ultimately went into the hands of shrewd speculators and great corporations which were intended to remain in the hands of working farmers. In many cases, too, our land system permitted fraudulent speculations in booming towns, at times resulting in wealth to a few through widespread loss and discouragement of the many.

*Form of land tax in the Orient.*—In all British and Dutch Oriental colonies it is customary for the land tax to be in the form of a rent, amounting to a certain percentage of the average annual crop. In most cases this system has in some form or other come down from ancient times, but in certain instances it is the outgrowth of experience.

*Land tenure in India.*—It has been found best, speaking generally, for the government to retain the title to the land and to lease it to the landholders. The leases or grants are ordinarily perpetual, so long as the lessee pays the regular tax and meets the other conditions laid down; but the government generally retains the right of revision of the rental at regular intervals, most frequently at periods of about thirty years. In some cases, especially when a settlement has first been made, the rental is revised after ten or fifteen years. On the other hand, in Bengal and in some other localities in India, and in exceptional circumstances in some of the other countries where it has been thought especially desirable to attract capital, the rental has been made perpetual, the governments surrendering the right of revision. Inasmuch as the leases may be transferable, such a grant without right of revision amounts practically to the granting of a title in fee simple. This form of lease, however, in Bengal particularly, as well as in some other instances, has been found exceedingly troublesome to the government, and practically no Indian administrator recommends the general disposition of public land on any such terms.

*Land tenure in Java.*—In Java, where in the earlier part of this century the government sold some of its public lands, the experiences have proved unfortunate. The native Javanese being somewhat thriftless, it has been possible for the Chinese and for some Europeans to gather together very large estates in single hands, on which the native Javanese must work as tenants under sometimes very severe conditions laid down by the landlords. These unfortunate experiences with the Javanese have led the Dutch government of late years to consider seriously, though as yet without any action, the advisability of buying up these great landlords' estates, as we have been compelled to consider the need of buying the friars' lands. It has, besides, prescribed with considerable minuteness the terms under which the Javanese shall be permitted to lease their lands to Europeans. Such provisions are intended both to prevent the soil from becoming exhausted and to secure to the native Javanese the use of his land often enough so that he will not be deprived of

food; otherwise he would at times take a money rent for a period of years in advance, spend it all, and then become a burden upon either his neighbors or the public in order to keep from starving. The Dutch government has also found it necessary to forbid absolutely the native Javanese to sell their lands either to Europeans or to the Chinese, unless special permission is granted in exceptional cases by the Dutch resident.

#### SUGGESTIONS REGARDING THE PHILIPPINES.

In the Philippines, if we are to guard the interests of the native Filipino, it will doubtless be necessary for us to adopt measures quite different from those which have been employed in the United States. The more intelligent and prudent of the Filipinos say that one of their chief fears from American rule is that in the course of time the American speculator and business man will succeed in depriving the less thrifty and less farsighted Filipino of his possession of the soil.

Congress has already on this subject made wise provision by instructing the Philippine Commission:

First. To secure a careful survey and classification of the land in order to determine both the boundaries of all private land claims and the nature of the soil, with its availability for various uses.

Second. To make regulations and prescribe terms for perfecting titles, so that the native inhabitants of the islands may secure lands on easy terms, and may have preference over others.

It is probable that in addition, unless it already has the power under the general terms of the act of July 1, 1902—

Third. The commission should be given the power to regulate the terms of the leases of their lands which the Filipinos might wish to make to Americans and Europeans, and that no leases or sales by the natives to such parties should be valid unless they are made in the presence of local government officials, who can explain the terms in detail to the parties concerned, and who are empowered to give or refuse consent to the bargain. This power should be in the hands of the provincial authorities.

Beyond question this is a grant of large and possibly somewhat dangerous discretionary authority, but the provincial board is composed usually of one native Filipino, chosen by the inhabitants of the province, and of two Americans, appointed by the governor on merit. In most cases the composition of the board is such as to prevent any corrupt practices, and the regulations laid down by the commission, together with the experience which would be rapidly gathered, would soon furnish a body of rules which would prevent hardship and insure uniformity of action. The more intelligent and thrifty Filipinos, as well as Americans, would not be unduly hampered in the exercise of their privileges, whereas the less thrifty and more ignorant ones would be protected. The best informed Filipinos favor such restrictions.

Fourth. The government has already made careful provisions for the preservation of the forest lands and for their satisfactory use. Somewhat

similar provisions would be wise regarding the agricultural lands owned by the government. It would probably be best for the Philippine Commission, in the exercise of the powers apparently granted in section 13 of the act of July 1, 1902, instead of selling these lands in fee simple, to lease them, with the right of revising the rental at somewhat long intervals—say, twenty-five or thirty years. This would give a source of revenue which is flexible and which may be made small or large with comparatively little difficulty as occasion demands. Under most circumstances it would probably enable the thrifty Filipino or the American settler to obtain his land with little or no outlay of capital, whereas it would also enable the government in cases of exceptionally valuable land, as in villages or valuable hotel sites, to secure what the land was worth by adding to the annual lease a premium to be paid at once, the amount of which might be determined either by the government itself or by auction.

In securing the investment of larger sums of capital for the development of large sugar, tobacco or hemp plantations, as contemplated in section 15 of the above-named act, the government might advantageously grant on very favorable terms to corporations or individuals large tracts of land; but in this case also Oriental experience favors leasing for suitable periods, with the right of revising the rental at the end of the period.

Besides the wise proviso of the present law—that the grant should be conditioned on actual and continued occupancy, improvement and cultivation of not less than five years, with the provision forbidding alienation or incumbrance of the land during that period—another might with advantage be added, to the effect that noncultivation, except of small pieces devoted actively to some use supplemental to the regular cultivation, should be considered abandonment of the land, and that three years' abandonment would forfeit the land to the state, even though the rental had been regularly paid.

It is extremely important that provisions somewhat of the nature indicated above should secure to the government and to the Filipinos the satisfactory use of the lands, both public and private, and that while legitimate investors for productive purposes should be encouraged, the enormous gains of land speculators should be prevented. Such regulations might quite possibly stifle somewhat the hazardous and injurious enterprise of land booms and town-lot speculations, but the commission would beyond question be able to make terms which would give sufficient encouragement to capital seeking legitimate investment, but which would also protect both the government's interests, present and future, and the welfare of the Filipinos.

Fifth. It is probable that, owing to the nature of the crops and to the character of the landholders, the land tax or rent would better be in the form of a certain percentage of the average annual crop commuted into terms of cash than in a percentage of the value of the land. This system, especially for most tropical countries, is more nearly accurate and equitable. The experiences of the other Oriental countries considered, and the methods employed by them, will prove very suggestive in preparing such regulations.

Sixth. The Torrens system of registration of land is beyond doubt best and will probably be adopted.

Seventh. Owing partly to the devastation of war, partly to the ravages of the rinderpest which destroyed in certain localities nearly all of the cattle employed on the land, the farmers are seriously hampered in tilling their lands. It seems extremely desirable that some method be found to enable them to purchase needed stock and agricultural implements.

The Indian government has found it desirable in many sections to make agricultural loans to farmers to enable them to make purchases of the nature indicated. The loans are made through local revenue officials and the interest and capital are likewise collected by government officials.

In Egypt, as will be seen in the brief chapter on that country, the government finding itself seriously hampered for capital, made arrangements with the National Bank of Egypt to advance money for similar purposes, while the government supervises the loans and collects the interest and the principal through the revenue officials. Both the bank and the people profit by the arrangements, while the government, keeping rigid control through its officials, prevents undue exploitation of the farmers.

In all such countries a chief danger is that the farmers will fall into the hands of unscrupulous usurers who will loan them money at ruinous rates, and who, through mortgages on their crops and property, will bring them into legal subjection not much better than slavery.

It would seem wise if, in connection with the land and revenue administration, our Philippine government could find it practicable either directly to make loans to farmers for needed purposes on reasonable terms, or could arrange with private capitalists or banks, as recommended by the commission, and in Mr. Conant's report on money and banking, to make such loans under government supervision and in part with government aid. The poorer inhabitants in these countries in many cases prefer to pay much higher rates to private usurers than to deal through government officials, because such money lenders, especially the Chinese, are likely to be very liberal in the way of extending loans from year to year, and thus strengthening their hold upon the people while apparently treating them with the greatest consideration. Government officials in making loans, or large banks which work under regular system, should of course have this in mind; and regulations while necessarily somewhat strict should, if possible, be administered with a certain degree of flexibility so as to avoid undue hardship in cases of misfortune.

#### IV. POLICE.

A study of the police systems of the Oriental countries, especially the military police corresponding to our Philippine constabulary, is interesting, but it has comparatively little new to suggest for the improvement of our constabulary. That body has been, on the whole, so efficiently organized and so well directed that, while an expert could doubtless gather suggestions in minor points from these other countries, no important modification seems necessary.

*Need of knowledge of local dialects.*—It is extremely desirable, however, that our American officers in charge of the constabulary should make them-



selves familiar as rapidly as possible with not merely the Spanish language, but also with the local dialects in the localities in which they serve. Not merely should certain rewards in the nature either of prizes or of an increase in salary be granted—a plan which has already been started—but it seems essential that, comparatively soon, appointments should be made dependent upon such knowledge, and that promotions should not be granted without it. The constabulary particularly will do its work in the most efficient way if the officials can come into personal contact in a somewhat familiar way with the inhabitants of all classes of the community. Such intimate relationship cannot be secured without a knowledge of the language, and the experiences of the other countries studied seem to make it clear that such knowledge can be comparatively easily secured along the lines indicated.

*Identification of criminals.*—The constabulary has already organized a very efficient detective service, and much emphasis is placed upon keeping the records of criminals, so that when one is captured it can readily be ascertained whether or not he is an old offender, with his record already in the hands of the police. The prompt identification of such habitual criminals is of very great importance, but it is extremely difficult to keep a set of records so classified and indexed that, after a period of some years has elapsed, the personal characteristics of an unknown criminal just arrested can be found in the records and the man identified without a long search which often proves absolutely unsatisfactory.

The experiences of the English colonies of Hong Kong, Singapore and the other Straits Settlements, Burma and others, where the system of identification is by finger marks, seem to show that system to be by far the most satisfactory that has yet been found, not merely as regards certainty of identification, but especially as regards the ease of classification and the readiness and speed with which any set of finger marks can be traced throughout a large collection of thousands and readily identified. It would seem desirable that our constabulary and police in the Philippines adopt the best methods available for the purpose of tracing criminals, and unless the system has already been thoroughly investigated, it would seem wise that such investigation be promptly made with reference to its possible adoption.

*Methods of dealing with brigandage.*—Some of the countries visited have found it desirable, in the interests of the public peace, without banishing from the country undesirable characters, to remove them from the scenes of their criminal exploits and to locate them among strangers in remote sections.

In Burma, the Straits Settlements and Federated Malay States there still remain numerous bands of robbers or brigands similar to those found in the Philippines. Besides the usual measures of patrolling roads and arresting and punishing criminals when caught, it has at times been found very effective to hold villages as a whole responsible for the criminal acts of robbers when there was reason to believe that the village, or many of the villagers, were harboring or aiding the criminals.

Sometimes the villages are fined heavily; sometimes they are punished by

quartering police upon them at their expense. To offset these punitive measures money rewards are sometimes paid to villages that have shown unusually praiseworthy diligence in hunting down brigands and bringing them to justice.

*Need of using native customs, etc.*—While it is probable that few, if any, of these latter methods would be found advisable for use by our constabulary, still they are extremely suggestive as methods of dealing with semi-civilized peoples in accordance with long-established customs and institutions which they understand. Our constabulary would certainly do well likewise to make careful study of native habits and institutions in order to see what ones can be used to further the ends of good government without doing violence to the higher ideals of civilized peoples.

Beyond question, if the Philippine constabulary is to be a permanent and efficient force, much will be gained by establishing regular systems of pensions and rewards for long and meritorious service.

Aside from these minor matters, part of which are already in force, no other suggestions of importance from the experience of the countries visited are to be offered for improvement of the already splendid force of the constabulary of the Philippines.



# HOUSING CONDITIONS IN JERSEY CITY

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SUPPLEMENT TO THE  
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